

Page

885  
891

894  
915

910

892

889  
889

907  
900

909

909  
913  
918

920

921

915  
922

921

# bulletin





# *The Department of State* bulletin

VOL. XV, No. 386 • PUBLICATION 2697

November 24, 1946

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

For sale by the Superintendent of Documents  
U. S. Government Printing Office  
Washington 25, D. C.

SUBSCRIPTION:  
52 issues, \$3.50; single copy, 10 cents  
Special offer: 13 weeks for \$1.00  
(renewable only on yearly basis)

Published with the approval of the  
Director of the Bureau of the Budget

Per. Read. Pm  
DEPOSITED BY THE  
UNITED STATES OF AMERICA

12-9-46

## UNITED STATES INTERESTS IN WORLD FOOD PROBLEM

by James A. Stillwell

*We readily recognize what extreme food shortages would mean to our own economy, but few of us realize the dependence of our best interests upon solution of food problems in other parts of the world. Yet our sincere consideration should be given to making available enough food so that people of the destitute areas can regain the health and peace of mind necessary to achieve international understanding and lasting peace.*

The most immediate and urgent problem we face is one of continuing the fight to prevent mass starvation in the devastated areas of the world and to find a way of making available enough food so that the people of the war-torn areas can regain the health and strength necessary to revive their own economies. Shipments of food from the United States to the war-torn areas will diminish as rapidly as those areas can replace them with food grown at home and with the purchases of food which they are able to make in other parts of the world as their foreign-exchange position improves. Our most urgent concern should be with making available enough food so that the people of the destitute areas can regain the health, vigor, and peace of mind essential to meet the tremendous task of achieving international cooperation and, ultimately, an everlasting peace for the world.

It is appropriate to review the events which led us through one of the gravest emergencies we

have had to face in this century, and then to outline just one of the problems of world economy which must be faced and solved in the immediate future if we expect mankind to seek peaceful solutions to all other economic and political ills.

During the long war years in Europe and in the Far East, the diet of civilians became painfully limited, not only in quantity but also in variety. Although the Axis-dominated countries of both Europe and Asia were forced to produce large quantities of food, a major portion of that production was confiscated by the occupying powers to feed their vast armies and industrial workers producing military equipment. At the end of the war in Europe, as well as in Asia, normal supply lines immediately broke down and the depleted local stocks of food quickly disappeared before the Allied forces and the new governments of the liberated countries had an opportunity to establish distribution systems. When the first new crops were harvested the long-suffering people naturally began to eat as much as they could obtain.

The newly formed governments in the liberated areas were not strong enough to maintain the strict rations that would have been required to conserve and spread properly the meager supply of food throughout the year. It is not surprising then that the losses of potential food stocks resulting from the disastrous drought and locust plagues in southern Europe and in many parts of Asia immediately created what was perhaps the worst world-wide famine condition ever witnessed. Approximately two-thirds of the world's population faced starvation during the winter months of 1945-46. Had it not been for the tremendous efforts and the generosity of the American people and the people of the other surplus areas of the world, many millions would have starved.

Fortunately, during the war, miracles of food production had been wrought by American agriculture. With only 15 percent of the nation's labor forces in their ranks, the farmers of the United States brought food production 30 percent above the pre-war level and held it there. Fortunately, this production was not only maintained at that high level but was also slightly increased during the first crop-year after the war. This tremendous food production in the United States played a major part in averting mass starvation, for the enormous demands made by the starving nations fell in a large measure upon the American people.

Once the facts were laid before the public, and the Famine Emergency Committee entered the fight in the conservation of food in our own domestic economy, the job was successfully accomplished. From January of this year through July 15, we exported more than 225 million bushels of grain, and from July 1945 to July 1946 this country exported 417 million bushels of wheat as well as huge quantities of fats and oils, meats, dairy products, and other foods. It was truly a colossal job which never could have been accomplished had it not been for the full cooperation of consumers, farmers, the trades, civic organizations, the press, and the radio.

Although actual mass starvation has been averted, we have accomplished an emergency job in an emergency fashion. It must be remembered that many millions of people in Europe and Asia have been forced to subsist on diets of less than

1,500 calories a person a day. Of that limited diet, 60 to 80 percent consisted of grain or grain products. Several millions of people in both Europe and Asia received 1,000 calories or less a day for the last three or four months preceding the new harvest.

Such diets certainly do not develop peaceful minds. The result of such pitifully inadequate diets is destructive malnutrition which nourishes only disease, unrest, and hate. We must face this problem immediately.

Once more fortune has smiled on our farms and fields. Our new grain crop has set a new all-time record. The Canadian grain crop is also one of the largest ever produced in that country. Crops throughout Europe have tremendously improved. Most of the countries of Europe will realize grain production of from 70 to 80 percent of pre-war normal. The prospects for the rice crops in India and the Far East, which are currently being harvested, are estimated to be near pre-war normal. This is a very encouraging picture. But the famine crisis has not ended. Let us briefly examine the facts.

Carry-over stocks in many of the countries of Europe and Asia had been depleted to almost zero by the time the new crops were harvested. The carry-over stocks in the four major grain-surplus areas were 450 million bushels less on July 1, 1946 than on July 1 of last year. The carry-over stock in the United States was down to the level of 100 million bushels—one of the lowest in 20 years. During the war years our carry-over stock was as high as 600 million bushels, and we considered it only a reasonably good reserve against the war-time demands of our military forces and our fighting Allies.

It is to be expected that all of the famine countries must increase their rations during the current year if they are to maintain a healthy working population. Since they cannot look forward to increases in meats, fats and oils, and sugar, the major portion of any increase must come from bread grains. Even with their greatly increased production they will not be able to meet the requirements. They must look primarily to the United States and Canada. If demands cannot be met by these two countries, they will have to look elsewhere.



Officials of the Department of Agriculture tell us that we must look forward to exporting 400 million bushels of bread grains during this crop year and even that amount will be considerably less than the demands placed upon us. If we meet these demands and if we build up our reserves so that the carry-over next July is not dangerously low, as it was this year, there will be no grain for us to waste. There will not be enough to go around if we eat it, feed it, and use it up at the rate we did in 1943, 1944, and 1945. The President recognized this situation in a letter which he recently addressed to three of his Cabinet members. In that letter he directed the establishment of a Cabinet subcommittee to maintain a continuous review of the world food situation and to recommend action which must be taken by this Government to fulfil its responsibilities in meeting world demands for food. He pointed out that, in spite of the record grain crops in other areas of the world, the carry-over stocks were so very short that there was an urgent need for developing a coordinated program to conserve grains and other essential foods. He directed the Cabinet subcommittee to study immediately the problem of setting up export goals and to present all of the essential facts necessary to keep the American people fully and accurately informed of the changes in the world food situation and of the steps which this Government will take to fulfil its responsibilities.

Although we have had many shipping difficulties in the past they have always been sufficiently overcome to meet emergency situations. We again face a tremendous problem of transporting and handling the amount of grain and other supplies which the deficit areas of the world need so badly from the United States. Because of the growing demand upon our inland transportation from the increased industrial activity in this country our railroads are now handling car loadings at an unprecedented weekly rate. They are handling approximately 920 to 940 thousand freight-car loadings a week. This includes raw material; semi-finish materials, such as the materials needed in the housing program; and the greatly increased production of consumer products; but the demand for movement of such supplies has grown so tremendously in recent weeks that the car loading should reach well over a million cars a week. The

railroads simply do not possess the equipment to handle such demands.

It would require less than nine percent of the total weekly car loadings to transport the grain supplies necessary to meet the schedule of our export demands, but because of the tremendous domestic demands upon our railway systems less than half of the required quantity of grain is being moved weekly.

With the world so urgently in need of the maximum quantity of bread grains which can be supplied from the United States it would be tragic irony if these supplies, readily available throughout this country, cannot be transported over our inland-transportation systems.

Much discussion has taken place during the past several weeks concerning the announced termination of UNRRA's work in Europe at the end of this year and in the Far East early next year. The officials of this Government believe that emergency relief through UNRRA can soon be terminated. Natural recovery which comes through revival of international trade must be encouraged. The emphasis, therefore, should be placed on assistance of a more permanent and productive nature in the form of industrial reconstruction and development.

The progress of relief and rehabilitation leading toward reconstruction is as variable as the many countries which have suffered from the terrific destruction of World War II. Some of the liberated countries have made tremendous strides toward the revival of a normal economy. These countries were fortunate in that they possessed more money in terms of foreign exchange or possessed raw materials or other products which could be quickly converted to foreign exchange.

With the inception of UNRRA, several of the liberated countries expressed the desire to handle their own emergency relief and rehabilitation problems. Five of the liberated countries of northwest Europe preferred not to accept any material aid from UNRRA. Although their balances of foreign exchange were by no means adequate to procure all of the commodities essential to the revival of a normal economy and at the same time adequately provide the basic items of relief, it was sufficient—they reasoned—to handle

the most essential jobs first and at the same time slowly but surely rehabilitate the industries. One of the principal factors leading to this decision, however, was the spirit of national pride which is common to all of the countries of the world. The less fortunate countries of the war-torn areas were just as proud and just as anxious to handle their own problems of emergency relief as the five countries of northwest Europe, but they did not possess the means to accomplish this tremendous task. It was to these countries, therefore, that UNRRA offered its material aid. At the beginning it was unanimously agreed that UNRRA's aid to the devastated countries would be of an emergency nature; it was UNRRA's task to procure and ship the civilian supplies required to maintain a minimum economy in those countries and to assist them in developing fair and adequate distribution systems. It was never contemplated that UNRRA's activities would be carried on into the period of economic reconstruction.

UNRRA's task in each of the countries was tremendously aided by the relief activities carried on by the Allied military forces during the war. The United States, the United Kingdom, and Canada began delivering civilian supplies almost simultaneously with the first landing in North Africa. From that time on with each new invasion the Allied military forces carried as a component part of their operations the supplies essential to sustain civilian life and to prevent the spread of disease and unrest. By the end of the war, the United States, the United Kingdom, and Canada had delivered over 13 million tons of civilian supplies to the liberated countries.

UNRRA has also accomplished a tremendous job in a most creditable fashion. That Administration has delivered a total of over 13 million tons of supplies and will deliver another 6 to 8 million tons before the program has been completed—21 or 22 million tons of supplies. That is equal to over 2,000 full cargoes. This accomplishment not only prevented mass starvation in the war-torn areas, but it also proved the practical worth of international cooperation.

The size of this job is without comparison with anything ever before attempted in the field of organized relief. The emphasis, however, must now be shifted from direct relief to helping each

country to help itself. Most of the countries receiving aid through UNRRA have progressed to the point where industrial reconstruction and development is the primary problem and relief operations can be taken over by the governments. Few countries will require continued outside aid. The problems of these countries are not ones which can be solved through international emergency relief. They require a more direct and fundamental rebuilding of each country's national economy.

It is not expected that the activities of UNRRA will be terminated abruptly according to the calendar. Most of the available 3½ billion dollars will have been spent by the end of this year, but the supplies may not all be shipped before well into 1947.

Most of the countries are anxious to procure and direct the handling of their own relief supplies. They have been materially aided in starting their own internal relief activities by operations of UNRRA. Each of the countries which have been receiving aid from UNRRA has built up revolving funds from the sale of UNRRA supplies. With these funds they have been carrying on direct indigent relief programs. The experience gained will help these countries take over the direct relief job on their own. In this task and in the field of social welfare work the voluntary agencies of this and other countries will no doubt continue their fine work.

At the recent meeting of the UNRRA Council in Geneva, Switzerland, a resolution was passed instructing the Director General to present the problem of actual financial needs of the various countries to the next session of the United Nations. That resolution recommended that the United Nations immediately appoint a competent group of financial experts to analyze the financial position of each of the governments formerly receiving aid through UNRRA. If that group finds that some of these countries cannot possibly take over the emergency relief job without outside financial aid, further consideration should be given to their problem by the member nations who are in a position to help. The governments requiring direct financial aid will, no doubt, present their problems directly to the countries from whom they wish to secure supplies.

In the meantime, this Government is doing everything within its power to foster and establish international trade practices which will bring about the most beneficial expansion of world trade and a better balancing of foreign-exchange positions. It is for this reason that it is lending full support to the early establishment of an International Trade Organization of the United Nations, whose purpose will be to bring about multilateral trade arrangements and help to do away with the innumerable trade barriers which develop from the restrictions imposed by bilateral trade agreements.

These long-range problems cannot be overlooked for a moment, but they are so complex that immediate solution is impossible. Among these are such problems as whether China and India, with their combined populations of 890 million, straining at the limits of food resources, must al-

ways live perilously close to the borderline of famine, or whether new and greater sources of supply can be developed; the problem of rehabilitation of the soil in far-flung areas of Europe and Asia; that of rehabilitation and even improvement in machinery, labor techniques, and the general agricultural economy. In the latter category we must consider not only further utilization of unproductive areas in this country but also the continued improvement in production techniques and in soil conservation and restoration. In the past century the world's population has grown from 1 billion to over 2 billion—within another hundred years it may well be 4 billion—and remember that there are only 4 billion acres of arable land in the world. These problems and their complexities will be an ever-continuing challenge to the rate of human progress and advancement.

#### UNRRA PROGRAM OF SHIPMENTS THROUGH DECEMBER 31, 1946

(Thousand tons)

	Food	Clothing, textiles & footwear <sup>1</sup>	Medical and sanitation	Agricultural rehabilitation	Industrial rehabilitation <sup>2</sup>	Unclassified <sup>3</sup>	Total
Greece . . . . .	1, 306	27	9	287	693	727	3, 049
Yugoslavia . . . . .	1, 084	73	20	161	695	352	2, 385
Albania . . . . .	67	3	2	17	42	25	156
Poland . . . . .	806	80	27	386	493	-----	1, 792
Czechoslovakia . . . . .	608	40	24	267	404	-----	1, 343
Italy . . . . .	1, 844	105	14	410	7, 238	-----	9, 611
Austria . . . . .	365	4	1	164	47	177	758
Byelorussia . . . . .	72	6	1	44	22	-----	145
Ukraine . . . . .	209	19	2	41	112	-----	383
China <sup>4</sup> . . . . .	1, 094	155	37	558	907	-----	2, 751
Other Programs . . . . .	57	90	5	6	4	34	196
Total . . . . .	7, 512	602	142	2, 341	10, 657	1, 315	22, 569

<sup>1</sup> Includes textile raw materials.

<sup>2</sup> Includes coal and all raw materials except textile raw materials.

<sup>3</sup> Military shipments and items awaiting specification.

<sup>4</sup> Through 31 March 1947.

Source: *Economic Recovery in the Countries Assisted by UNRRA*. Report presented by the Director General of UNRRA to the Secretary-General of the United Nations.



## Report on The Third Session of Economic and Social Council

### LETTER OF TRANSMITTAL FROM U. S. REPRESENTATIVE TO THE SECRETARY OF STATE

*November 7, 1946.*

SIR:

On July 15, 1946, I transmitted to you a Report on the first two sessions of the Economic and Social Council.<sup>1</sup> The Report on the Third Session which is transmitted herewith completes the record of the first year's work, which has been compressed into nine months because of the two meetings of the General Assembly in January and in October of this first year.

In this period, the Economic and Social Council has completed the major organizational aspects of its work, and has made a good start on the substantive tasks for which it was established. It is natural that this transition to problems of substance should have given rise to a greater diversity of views among members of the Council than attended the purely procedural and constitutional tasks of the earlier sessions. What I find most impressive, however, is not these differences, but the common desire evident in all members to make the Council an effective instrument for achieving real and tangible results for the benefit of the peoples of all countries. The Council has been feeling its way into an extraordinarily complex and extensive field of human activity. I believe

that a review of the first year of the Council indicates that it has built solidly and already has a very substantial measure of accomplishment to its credit.

The Economic and Social Council has devoted more time to the question of refugees and displaced persons than to any other subject. It has now completed the task given to it by the General Assembly and has presented to that body detailed recommendations for an International Refugee Organization, as well as recommendations for the finances of the Organization and recommendations for interim arrangements before the Organization comes into full operation.

It has asked the General Assembly to create an International Children's Emergency Fund for the benefit of children and adolescents of all countries which were the victims of aggression. It has initiated action looking to the continuation of certain of the welfare activities of UNRRA after that organization ceases to exist.

Another problem of immediate urgency is the reconstruction of devastated countries. The Council has laid the groundwork for the consideration of this subject by the General Assembly and for further work by the Council itself. In recognition of the importance of inland transport to

<sup>1</sup> Department of State publication 2800.



the restoration of the European economy the Council has recommended a conference of all interested states on questions of freedom of traffic on the Danube.

Under the auspices of the Council, an International Health Conference was held which completed the Constitution of the World Health Organization. Provision has been made for the transfer to this Organization of the functions and activities of the League of Nations in this field and for the integration into the new Organization of other international health bodies, particularly the *Office International d'Hygiène Publique*.

The Preparatory Committee for an International Conference on Trade and Employment, established at the First Session of the Council, has now begun its work in London.

The suggestion of the President of the United States that the Council convene, in 1947, a Scientific Conference on Resource Conservation and Utilization was received after the Third Session had started. A number of Delegations were unable to obtain instructions in time to take positions on the subject at this Session. Accordingly the item will be discussed at the next session. In the meantime, the Secretary General is to consult with Members of the United Nations and the various bodies concerned. The results of these consultations should facilitate the Council's consideration of this subject at the Fourth Session.

In addition, the Third Session of the Council completed a number of residual organizational matters. It established a Fiscal Commission and a Population Commission and elected the members of all of the Commissions. It took further steps to provide the machinery for carrying out its task of coordinating the activities of specialized agencies. It concluded an Agreement with the International Civil Aviation Organization to bring that Organization into relationship with the United Nations as contemplated by the Charter. The Council has transmitted this Agreement, together with those previously negotiated with the International Labour Organization, the Food and Agriculture Organization, and the United Nations Educational, Scientific, and Cultural Organization to the General Assembly for final approval. The Council also completed the arrangements for

enabling non-governmental organizations to consult with the Council.

All of these items are fully covered in the attached report and I shall not, therefore, discuss them at length here.

The deliberations of the Economic and Social Council have reflected not only the natural difficulties of reconciling different opinions and different approaches to common problems, but also have to some extent reflected differences which are being even more vigorously expressed in other bodies and meetings. The substantial list of accomplishments enumerated above is in itself evidence that these difficulties have not proved insuperable in the Economic and Social Council. The growing pains of this body are becoming less as its members become more accustomed to working with each other and as they come to understand each other better.

The United States is entitled to feel a particular satisfaction in this beginning. The proposal for an Economic and Social Council, which had no counterpart in the League of Nations, was contained in the papers submitted by this Government to the Dumbarton Oaks Conference. A substantial part of the work of the Council up to now has resulted from initiative taken by the United States Delegation; this has been particularly important during the period in which the Secretariat was being recruited and organized.

I must take this opportunity to record again my appreciation of the able and effective teamwork of the United States Delegation at this past Session. More members than ever before were drawn into active participation in the various committees and the meetings of the Council itself. This fact and the arrangements which have been made for continuing liaison between the Department of State and the other departments and agencies of the Government will, I feel certain, prove most effective in promoting consistency throughout all our economic and social policies and in broadening and strengthening the contribution which the United States can and is expected to make to the work of the Council.

Sincerely yours,

JOHN G. WINANT

## Meeting of the General Assembly

### U.S. POSITION ON REGULATION AND REDUCTION OF ARMAMENTS

*By the Senior Representative of U. S. Delegation<sup>1</sup>*

At the outset of what I have to say to the General Assembly I must refer briefly to the address made yesterday by the Representative of the Union of Soviet Socialist Republics.

Mr. Molotov's speech indicated distrust and misunderstanding of the motives of the United States and of other members of the United Nations. I do not believe that recriminations among nations allied in war and in peace promote that unity which Mr. Molotov so rightly points out is essential to the success of the United Nations.

In war we gave to our Allies all the help and cooperation a great nation could. In peace the "United States will support the United Nations with all the resources we possess."

Our motives in war and peace we leave to the judgment of history. We fought for *freedom* side by side without recrimination. Can't we fight for *peace* side by side without recrimination? That closes the sad chapter so far as we are concerned.

I shall not participate in any exchange of recriminations.

We welcome the confidence expressed by Mr. Molotov that unanimous agreement among all the nations both large and small can be achieved on such vital matters as the control of atomic energy and on steps to lighten the burden of armaments and military expenditures which still rests so heavily upon the peoples of the world.

The United States urges disarmament.

The United States believes that Mr. Molotov's proposal should be placed on our agenda and fully considered and discussed.

<sup>1</sup>Excerpts from an address delivered by the U.S. Delegate, Warren R. Austin, before the General Assembly of the United Nations at Lake Success, N.Y., on Oct. 30 and released to the press by the U.S. Delegation to the General Assembly on the same date.

The initiative of the Soviet Union in this matter is appropriate because of its mighty armies, just as the initiative of the United States was appropriate in proposing measures to prevent the manufacture and use of atomic weapons.

In November 1945 the United States took the initiative for outlawing the atomic bomb, in the conversations at Washington among President Truman, Prime Minister Attlee, and Prime Minister MacKenzie King. At Moscow in December 1945, the following month, conversations were held between Mr. Byrnes, Mr. Molotov, and Mr. Bevin on this subject. In this Assembly last January the resolution creating the Atomic Energy Commission and establishing its terms of reference was unanimously adopted. Since then in the Commission itself the distinguished United States Representative, Mr. Bernard M. Baruch, presented proposals expressing the policy of the President of the United States.

The United States goes further. As President Truman emphasized again last week, it attaches the greatest importance to reaching agreements that will remove the deadly fear of other weapons of mass destruction in accordance with the same resolution passed by this Assembly.

So far as Mr. Molotov's resolution concerns the regulation and reduction of other armaments, the whole world knows where the United States stands and has always stood. For 20 years before the war and in the 15 months since the fighting stopped, the United States has consistently been in the forefront of those striving to reduce the burden of armaments upon the peoples of the world. Since the end of the war in Europe and the Pacific the United States has progressively and rapidly reduced its military establishment.

After the last war we made the mistake of disarming unilaterally. We shall not repeat that mistake.

The United States is prepared to cooperate fully

with all other members of the United Nations in disarmament. It advocates effective safeguards by way of inspection and other means to protect complying states against the hazards of violation and evasion.

We cannot reduce armaments merely by talking about the "regulation of armament and possible disarmament", or the "heavy economic burden caused by excessive expenditures for armaments". We cannot achieve it without positive acts which will establish the "peaceful post-war conditions" to which Mr. Molotov also referred.

Nor can a system for the regulation of armaments and possible disarmaments as contemplated in articles 11, 26, and 47 of the Charter be effectively planned except in relation to progress in the negotiation of the armed-forces agreements called for by article 43. At the beginning of April, four of the five members of the Military Staff Committee made specific proposals concerning the principles which should govern the negotiation of these agreements. In September the Soviet Union submitted for the first time a statement of its views on the problem.

I am happy to note that Mr. Molotov referred to the work of the Military Staff Committee. I hope it will now be possible for this Committee to make rapid progress. The conclusion of these agreements, providing the Security Council with

peace forces adequate to prevent acts of aggression, is essential to carrying out the objectives of Mr. Molotov's resolution for the reduction of armaments.

Mr. Molotov also referred to article 43 in connection with the Soviet proposal concerning the presence of armed forces of the United Nations on foreign territories. He said, "In this connection it is natural that the Security Council should know the actual situation, namely, where and what armed forces of the United Nations are situated at present outside the confines of their countries. . . . For its part the Soviet Union is prepared to submit this information to the Security Council."

The Government of the United States understands Mr. Molotov's statement to mean that the Soviet Union is fully prepared to report on its armed forces in ex-enemy states as well as in other foreign territories. Therefore, the United States urges prompt fulfilment of this policy. The United States has nothing to hide with regard to our armed forces at home or abroad. The United States will promptly fulfil that policy. In no case are the United States forces in friendly countries except with the consent of those countries.

It is our opinion that the proposed inquiry should include all mobilized armed forces, whether at home or abroad.

## U. S. Position on International Refugee Organization

### STATEMENT BY REPRESENTATIVE OF THE U.S. DELEGATION TO THE UNITED NATIONS<sup>1</sup>

To begin with, Mr. Chairman, I should like to state very briefly the position of the United States in this International Refugee Organization, which will care for and help to rehabilitate nearly a million people from Europe and the Far East. As long as they are refugees and displaced persons they constitute a threat to peace and good relations among governments.

The maintenance in camps of these persons leads to deterioration among them as human beings and is an economic waste for all the nations of the world. We, in the United States, feel this most

keenly, since from practically all the countries where they come from we have received citizens who have built up our nation. Therefore, the United States supports the principles of the General Assembly resolution of February 12, 1946 namely:

(a) The problem is international in character.

<sup>1</sup> Made by the U.S. representative, Mrs. Eleanor Roosevelt, before Committee 3 of the General Assembly at Lake Success on Nov. 8 and released to the press by the U.S. Delegation to the United Nations on the same date.



## THE UNITED NATIONS

(b) There shall be no compulsory repatriation.

(c) Action taken by IRO must not interfere with existing international arrangements for apprehension of war criminals, Quislings, and traitors. This is being done by military occupation forces and is not the responsibility of this new organization.

As a consequence we support the draft constitution of the IRO which reflects the foregoing principles.

The United States has supported the principles advocated by my colleague from the U. S. S. R. which is proved by the numbers of people that have been repatriated from the United States zone. However, it would be foreign to our conception of democracy to force repatriation on any human being. Three and one-half million persons have been repatriated from the United States zone, but our people will always believe in the right of asylum and complete freedom of choice.

The Pilgrims, the Huguenots, and the Germans of 1848 came to us in search of political and religious freedom and a wider economic opportunity. They built the United States.

These people now in displaced-persons camps are kin to those early settlers of ours, and many of them might have relatives in the United States.

My Government urges the participation in the IRO as members by all peace-loving nations. There is no question but that this participation will entail financial sacrifices by all participating governments. For a time it will be a heavy burden, but in the long run it will be an economy and well worth the cost.

The finances of our organization will be considered in committee 5, where the financial burden will be allotted to the participating governments, so that the cost will be equitably shared by all, and each government will pay according to the standards laid down by committee 5.

In the interest of brevity I shall comment at this time only on some of the essential points in Mr. Vyshinsky's speech of Wednesday, leaving other points for comment when we discuss the draft constitution article by article.

First of all I should like to say that Mr. Vyshinsky's view that no assistance should be given to those who for valid reasons decide not to return

to their countries of origin is inconsistent with the unanimous decision of the General Assembly in the resolution on displaced persons of February 12, 1946. That clearly provides that these persons shall become the concern of the International Refugee Organization.

Mr. Vyshinsky says that this problem is very simple. It can be solved by repatriating all the displaced persons. In fact, those who do not wish to be repatriated must fall into this category. I think this point of view fails to take into consideration the facts of political change in countries of origin which have created fears in the minds of the million persons, who remain, of such a nature that they choose miserable life in camps in preference to the risks of repatriation.

Our colleague from Poland mentioned that similar arrangements had been made to give people food allowances after their return home the number going home had increased. I think he is quite right that the fear of an economic situation has deterred a number of people from taking the risk of repatriation, but not all of them are actuated by consideration of the economic situation in the country of origin.

Seven million people have already been repatriated; repatriation is still proceeding. Over a thousand Poles are leaving the U.S. zones of Germany and Austria daily. The military administration which accomplished this result can hardly be held solely responsible for the failure of the last million to return.

It was a new point, I think, which Mr. Vyshinsky raised when he presented his position that those who do not choose to return to their countries of origin shall not be resettled, shall receive no aid towards settling somewhere else. This leaves them with the prospect of spending the rest of their lives in assembly centers as long as the IRO supports them or else of facing starvation. They obviously cannot be left in assembly centers to their own devices. They would continue as an irritant in good relations between friendly governments and contribute to delay in the restoration of peace and order which is the concern of all governments. There is no reason why they should become wanderers if instead they can be given an opportunity for resettlement in some country which has a future to offer them.



By another provision of the General Assembly resolution of February 1946, which, I think, Mr. Vyshinsky must have forgotten, no action taken shall be of such a character as to interfere in any way with the surrender and punishment of war criminals, Quislings, and traitors in conformity with international arrangements or agreements. These arrangements, however, are the responsibility of other government bodies, including the military authorities.

I can tell you very briefly how arrangements for the apprehension of Quislings works out under the U.S. occupational authorities. U.S. officials are continuously engaged in screening the refugee personnel to locate Quislings or those who for other reasons are not entitled to be given asylum. When special complaints are received from other governments they are made by the governments' liaison officers with the United States Forces, European Theater. USFET thereupon makes an investigation through Army channels. If the investigation appears to substantiate the complaint, the case goes before a board of officers, which makes the final determination. This method of procedure has in general been satisfactory; but it must be emphasized that this committee here is not, and should not, be the forum for debate as to its effectiveness. It is not our function here to discuss the adequacy of these arrangements or the performance under them. We are concerned with final decisions on the draft of the constitution of IRO. This draft clearly excludes from the benefits of the organization war criminals, Quislings, and traitors. We can hope that such persons will be entirely eliminated by the time the IRO begins to function.

Mr. Vyshinsky spoke of members of various military groups. The military character of different groups and their members, we think, has been greatly exaggerated. They are the concern of the military authorities, however, and will be handled by them. Those who fought with the Germans and collaborated with them are clearly excluded from assistance from the IRO in the constitution before us. I have asked that the U. S. military authorities supply me with a report on each of the incidents complained of by Mr. Vyshinsky where the U. S. is concerned, and I shall report these findings

in writing to the committee, if it so desires, as soon as they are available.

Now we come to the point which Mr. Vyshinsky made that all propaganda should be suppressed in the camps. He challenges us on the point that under the guise of freedom of expression propaganda hostile to the countries of origin is tolerated. On this point I am afraid we hold very different ideas. But this does not preclude cooperation between us. We, in the United States, tolerate opposition provided it does not extend to the point of advocacy of the overthrow of government by force. Unless the right of opposition is conceded, it seems to me that there is very little possibility that countries with differing conceptions of democracy can live together without friction in the same world. Much progress has been made to date in dealing with this problem of propaganda within the framework of these divergent views. With patience and understanding we can achieve still further progress in this direction.

Mr. Vyshinsky objects to the inclusion of certain categories of refugees and displaced persons.

One group consists of those who, as a result of events subsequent to the outbreak of the second World War, are unable or unwilling to avail themselves of the protection of the government of their countries of nationality or of former nationality.

This paragraph covers those who for political reasons, territorial changes, or changes of sovereignty are unable to return to their country. That paragraph is in annex 1, part 1, section A, paragraph 2. I regret that Mr. Vyshinsky cannot confirm the agreement reached at the last session of the Economic and Social Council on this point. We consider it essential that the paragraph be retained. But since he asked who these people are, I should like out of my own experience to mention a few. I visited two camps near Frankfurt, where the majority of people had come from Estonia, Latvia, and Lithuania. I have received innumerable petitions. My mail today carried three from people in different countries, who, because changes had come in the types of government in their countries, felt that they did not wish to return. That does not mean that they do not love their country; it simply means that they prefer the country as it was before they left it. That

## THE UNITED NATIONS

country they feel no longer belongs to them. I gather that Mr. Vyshinsky felt that anyone who did not wish to return under the present form of government must of necessity be Fascist. I talked to a great many of these people who do not strike me as Fascist, and the assumption that people do not wish to return to the country of their origin because those countries are now under what is called a democratic form of government does not seem to allow for certain differences in the understanding of the word *democracy*. As Mr. Vyshinsky uses it, it would seem that democracy is synonymous with Soviet, or at least a fairly similar conception of political and economic questions. Under that formula I am very sure that he would accept some of the other nations in the world who consider themselves democracies and who are as willing to die for their beliefs as are the people of the Soviet Union.

Mr. Vyshinsky also objected to certain exceptions to the general rule that those who had voluntarily assisted the enemy are excluded from the concern of the IRO. The intent of the exemptions is to cover those who were forced to perform slave labor or who may have rendered humanitarian assistance, such as assistance to wounded civilians. Mr. Vyshinsky proposes to exclude all those who assisted in any manner. Under such language those merely present in any occupied area forced by necessity of survival to perform any form of work or service within the German economy would be considered to have assisted the enemy and would thus be excluded. This would result in cruel hardship on many. We can, however, discuss the point at greater length later.

I sincerely regret having to speak in opposition to some of Mr. Vyshinsky's views. But he will recall that in London there were some things which because of the fundamental beliefs I hold, I had to stand on. I felt strongly about them then and I still do. This does not mean that Mr. Vyshinsky cannot hold to his basic beliefs as well and still achieve with us a solution. This solution can be reached if we are both willing in these fields to try for a spirit of cooperation and a realistic approach to our problems. It is essential to the peace of the world that we wipe out some of

our resentments as well as our fears. I hope that as time goes on our two great nations may grow to understand each other and to accept our different viewpoints on certain questions.

## American Chemical Society's Gift to UNESCO

[Released to the press November 11]

The Department of State has been informed by the American Chemical Society that its board of directors has offered a contribution of \$25,000 to UNESCO (the United Nations Educational, Scientific and Cultural Organization), it was announced on November 13 by Assistant Secretary of State Benton.

The gift is offered for the payment of expenses in this country of foreign chemists and chemical engineers who wish to engage in advanced study and who could not make the trip without such aid. The persons to receive the grants are to be designated by UNESCO.

This is believed to be the first contribution offered to UNESCO by any non-governmental organization, according to Mr. Benton. Commenting on the gift, Mr. Benton pointed out that the Director General of UNESCO is authorized to receive "gifts, bequests and contributions directly from governments, public, private, institutional associations, and private persons." Such contributions, he said, may well prove to be an important resource for UNESCO in carrying out its functions. Mr. Benton also said:

"In its long-range program, I hope that UNESCO will come to be regarded as an appropriate instrument for contributions from many organizations and individuals, all over the world who wish to contribute to education for peace through understanding.

"The coming meeting of the General Conference of UNESCO, to open at Paris, November 19, will determine the main outlines of a program for UNESCO. The program there agreed upon will include many projects worthy of financial support over and above the regular annual contributions of the member governments."

(Continued on page 953)

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings*<sup>1</sup>

#### **In Session as of November 17, 1946**

Far Eastern Commission . . . . .	Washington . . . . .	February 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	March 25
Military Staff Committee . . . . .	Lake Success . . . . .	March 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
UNRRA - Inter-governmental Committee on Refugees (IGCR)	Washington . . . . .	July 25
Joint Planning Committee	Lake Success	
General Assembly . . . . .	Flushing Meadows . .	October 23
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	November 10
German External Property Negotiations with Portugal (Safehaven) .	Lisbon . . . . .	September 3
PICAO:		
Interim Council . . . . .	Montreal . . . . .	September 4
Divisional		
Meteorological Division . . . . .	Montreal . . . . .	October 29
Special Radio Technical Division . . . . .	Montreal . . . . .	October 30-November 23
International Conference on Trade and Employment, First Meeting of the Preparatory Committee	London . . . . .	October 15-November 23
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	October 24
FAO: Preparatory Commission To Study World Food Board Proposals.	Washington . . . . .	October 28
World Health Organization (WHO): Interim Commission . . . . .	Geneva . . . . .	November 4-13
Council of Foreign Ministers . . . . .	New York . . . . .	November 4
IARA: Meetings on Conflicting Custodial Claims . . . . .	Brussels . . . . .	November 6
International Technical Committee of Aerial Legal Experts (CITEJA):		
Meetings of Four Commissions . . . . .	Cairo . . . . .	November 6-13
Fifteenth Plenary Session . . . . .	Cairo . . . . .	November 14-19
ILO: Industrial Committee on Textiles . . . . .	Brussels . . . . .	November 14-22
Second Inter-American Congress of Radiology . . . . .	Habana . . . . .	November 17-22
<b>Scheduled for November 1946-January 1947</b>		
UNESCO:		
General Conference . . . . .	Paris . . . . .	November 19
"Month" Exhibition . . . . .	Paris . . . . .	November-December
ILO: Industrial Committee on Building, Civil Engineering and Public Works.	Brussels . . . . .	November 25-December 3

<sup>1</sup> Calendar prepared in the Division of International Conferences, Department of State.

## Calendar of Meetings—Continued

<b>PICAO:</b>		
Divisional		
Communications Division . . . . .	Montreal . . . . .	November 19
Search and Rescue Division . . . . .	Montreal . . . . .	November 26
Rules of the Air and Air Traffic Control Practices Division. . .	Montreal . . . . .	December 3
Personnel Licensing Division . . . . .	Montreal . . . . .	January 7
Aeronautical Maps and Charts Division . . . . .	Montreal . . . . .	January 14
International Whaling Conference . . . . .	Washington . . . . .	November 20
Rubber Study Group Meeting . . . . .	The Hague. . . . .	November 25-30
<b>United Nations:</b>		
Economic and Social Council		
Commission on Narcotic Drugs. . . . .	Lake Success. . . . .	November 27
Statistical Commission. . . . .	Lake Success. . . . .	January 27 (tentative)
Postal Experts Meeting . . . . .	Lake Success. . . . .	December 10 (tentative)
Inter-American Commission of Women: Fifth Annual Assembly . .	Washington . . . . .	December 2-12
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London . . . . .	December 16
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington. . . . .	January 6-11
Twelfth Pan American Sanitary Conference . . . . .	Caracas . . . . .	January 12-24
Second Pan American Conference on Sanitary Education . . . . .	Caracas . . . . .	January 12-24

## Activities and Developments >>

### U. S.-U. K. MEETINGS ON BIZONAL ARRANGEMENTS FOR GERMANY

#### Statement by Acting Secretary Acheson<sup>1</sup>

The present meeting is an outgrowth of a conversation of Mr. Bevin with Secretary Byrnes during the recent conferences in Paris, concerning plans for the economic and financial union of the British and American zones of occupation in Germany.<sup>2</sup>

The resulting conferences in Washington, of which this is the first meeting, are, so far as the United States representation is concerned, under the joint auspices of the Departments of State and War. Gen. John H. Hildring, Assistant Secretary of State for Occupied Areas, will preside at the forthcoming discussions on matters of bizonal interest. Mr. Howard C. Petersen, the Assistant

<sup>1</sup> Made at the opening session at 2:30 p.m. on Nov. 13, 1946, and released to the press on the same date.

<sup>2</sup> BULLETIN of Aug. 11, 1946, p. 266.



Secretary of War, and General Clay, Deputy Military Governor (U.S.), Germany, will head the representatives of the War Department and the Military Government (U.S.), Germany, during the meetings with the members of the British Embassy and of the British Delegation, who have just arrived in Washington to assist the Embassy in these discussions relating to the establishment of bizonal union. I extend a cordial welcome to our British friends with whom we are happy to have an opportunity of discussing important matters of mutual interest.

It is envisaged that the discussions of the present conferees will be limited to those bizonal arrangements which need be settled only at governmental level.

These meetings are a definite step forward in line with policy relative to Germany, as expressed by Secretary of State Byrnes, in conformity with the Potsdam Agreement, in his discussions with the Foreign Ministers of the other occupying powers. British agreement with the position taken resulted. Subsequently, Secretary Byrnes, in his Stuttgart address, said, in part, the United States—

" . . . has formally announced that it is its intention to unify the economy of its own zone with any or all of the other zones willing to participate in the unification.

"So far only the British Government has agreed to let its zone participate. We deeply appreciate their cooperation. Of course, this policy of unification is not intended to exclude the governments not now willing to join. The unification will be open to them at any time they wish to join.

"We favor the economic unification of Germany. If complete unification cannot be secured, we shall do everything in our power to secure the maximum possible unification."

#### U. S. Representatives

[Released to the press November 12]

Following is a list of United States representatives and advisers to the joint United States-United Kingdom meetings on bizonal arrangements for Germany:

##### Department of State

Under Secretary of State Dean Acheson (Opening Meeting)

Assistant Secretary for Occupied Areas, John H. Hilldring

Ambassador Robert D. Murphy

H. J. Heneman, Office of Assistant Secretary Hilldring

C. C. Hilliard, Office of Assistant Secretary Hilldring

Phillip P. Claxton, Office of Assistant Secretary Hilldring

C. P. Kindleberger, Division of German and Austrian Economic Affairs

J. C. deWilde, Division of German and Austrian Economic Affairs

W. A. Salant, Division of German and Austrian Economic Affairs (alternate for Mr. deWilde)

J. W. Riddleberger, Division of Central European Affairs

##### War Department

Assistant Secretary of War Howard C. Petersen

Col. J. R. Gilchrist, Civil Affairs Division

Col. R. M. Cheseldine, Civil Affairs Division

E. A. Hough, Civil Affairs Division

O. J. Baldwin, Civil Affairs Division

Tracy Vorhees, Office of the Secretary of War

Gen. George J. Richards, Budget Office of War Department

Gen. Vernon Evans, Budget Office of War Department (alternate for General Richards)

Lt. Col. P. A. Feyerelsen, Budget Office of War Department (alternate for General Richards)

##### Office of Military Government, U. S.

Gen. Lucius D. Clay

Col. Hugh Barker Hester

Col. Lawrence Wilkinson

Don D. Humphrey

Theodore H. Ball

Roy J. Bullock

Edward A. Tenenbaum

##### Reconstruction Finance Corporation, U. S. Commercial Company

George Allen

John Goodloe

DeWitt Schieck

##### Treasury Department

Andrew Overby, adviser

##### Department of Commerce

Arthur Paul, adviser

Murray Marker, (alternate)

##### Department of Agriculture

Francis A. Flood, adviser

##### Department of Labor

Assistant Secretary D. A. Morse, adviser

##### Bureau of the Budget

E. R. Baker, observer

## ACTIVITIES AND DEVELOPMENTS

### STATEMENT BY HEADS OF DELEGATIONS TO INTERNATIONAL WOOL TALKS

[Released to the press November 15]

1. During the past week delegations representing Argentina, Australia, Belgium, Canada, China, France, India, Italy, New Zealand, South Africa, United Kingdom, United States, and Uruguay have been engaged in an examination of present and prospective world apparel wool situation.

2. There has been a full and frank exchange of views. Producing and consuming countries were in full agreement about desirability of avoiding as far as possible excessive price fluctuations and of securing expansion of world consumption of wool.

3. Representatives of UK/Dominion Wool Disposal, Ltd. (this is organization established by UK, Australia, New Zealand, and South African Governments to dispose of large wartime surplus of wool) were present at invitation of conference, and chairman made a statement about its organization and aims. He reaffirmed intention to contribute to stability in international trade in wool by means of orderly marketing of surpluses together with current clips at prices reasonable to grower and at a level to encourage consumption. He emphasized also desirability of extending range of types of wool used. Use of a narrow range of types led to scarcity and high prices of those types. Organization was prepared to supplement offerings to meet demand so far as shortages of certain particular types and difficulties of handling and transport allowed. This conference has provided an opportunity for the various countries to study operation of this wool-disposal organization.

4. Conference has considered also present statistical position as regards world stocks production and consumption and has reviewed prospects for 1946-47. It is apparent that there has been a heavy transfer of stocks from government to private hands since end of hostilities, and there has also been an encouragingly rapid recovery of consumption in many countries. Nevertheless total world stocks of apparel wool at 30 June 1946 are estimated at some 5,000 million pounds of which over half is still in hands of governmental organi-

zations. Stocks in government hands alone amounted approximately to one year's production, and it is clear that absorption of this quantity into final consumption alongside new clips of 1946-47, and later seasons must still present a formidable problem.

5. Conference has also reviewed possibilities for continuing intergovernmental consideration of wool matters.

Text of conference resolution follows:

(a) Having made a survey of prospective world position of wool conference is agreed on desirability in interests of producers and consumers of situation being kept under intergovernmental review.

(b) Representatives of all governments participating in this conference accordingly agree to recommend to their governments that an international wool study group should be established.

(c) Conference agrees that UK Government should be invited to obtain by February 1, 1947 from governments which received invitations to conference their decisions regarding establishment of a wool study group and to arrange for a first meeting of study group.

6. Conference was agreed that it would be important that proposed study group should maintain close liaison with existing organizations in wool field with a view to taking full advantage of information collected by these organizations.

### U.S. DELEGATION TO ILO TEXTILES INDUSTRIAL COMMITTEE

The Secretary of State announced on November 13 that the President has approved the composition of the United States Delegation to attend the meeting of the Textiles Industrial Committee of the International Labor Organization. These nominations were submitted by the Secretary of State upon the recommendation of the Secretary of Labor, Lewis B. Schwellenbach. This meeting was held in Brussels, Belgium, November 14-22, 1946.

The composition of the United States Delegation is as follows:

## ACTIVITIES AND DEVELOPMENTS

### GOVERNMENT REPRESENTATIVES

#### Members

Robert J. Myers, Manpower Division, Office of Military Government for Germany (U.S.); assistant commissioner designate, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C.

Rene Lutz, economic analyst, Leather and Textile Division, U.S. Department of Commerce, Washington, D.C.

#### Advisers

Verl E. Roberts, chief of the Minimum Wage Determination Section of the Economics Branch, Wage and Hour and Public Contracts Division, U.S. Department of Labor, New York, N.Y.

Murray Ross, assistant chief, International Labor Organizations Branch, Division of International

Labor, Social and Health Affairs, U.S. Department of State, Washington, D.C.

### EMPLOYERS' REPRESENTATIVES

#### Members

Edwin Wilkinson, assistant to the president, National Association of Wool Manufacturers, New York, N. Y.  
Herbert H. Schell, president, Sidney Blumenthal and Company, Inc., New York, N.Y.

### WORKERS' REPRESENTATIVES

#### Members

Lloyd Klenert, secretary-treasurer, United Textile Workers of America, Washington, D.C.  
John Vertente, Jr., executive council member, United Textile Workers of America, New Bedford, Mass.

## Moscow Telecommunications Conference

BY FRANCIS COLT DE WOLF<sup>1</sup>

This is a report of a successful mission to Moscow—a telecommunications mission. First of all it might be well to try to clarify in our minds just what we mean by *telecommunications*. It was as recently as 1932, at the Madrid International Radio Conference, that the term *telecommunications* was first officially adopted. It is defined as follows in the International Radio Regulations:

*Telecommunication:* Any telegraph or telephone communication of signs, signals, writings, images, and sounds of any nature, by wire, radio, or other systems or processes of electric or visual (semaphore) signaling.

Or, to put it in another way, your telephone, your radio receiver on which you are now hearing me, your telegraph, your submarine cable, your television set, your walkie-talkie, your radiotelegraph between New York and London or between an airport and a plane circling above it—all are included in the term *telecommunications*. And now to come back to our Moscow conference; it all began this way.

In 1944, in Chicago, there was held a world aviation conference at which most of the countries of the world were present, with the important ex-

ception of the Union of Soviet Socialist Republics. This conference set up a Provisional International Civil Aviation Organization which has come to be known as PICAQ and which, ever since its creation, has been most active in the promotion of international civil aviation interests. It is now a going concern, with its seat at Montreal, and has a Council and an Assembly somewhat modeled on the organization of the United Nations. The U.S.S.R. is as yet not a member of PICAQ.

In the same year of 1944 there was held in Washington a meeting known as the Dumbarton Oaks conference, of five powers—the U.S.A., the U.S.S.R., the U.K., France, and China. Its purpose was to prepare an outline for a new world organization. At San Francisco, in 1945, a conference of all the United Nations took place, which perfected the plans for the Charter of a United Nations organization, which as you all know is now a going concern. The U.S.S.R. participated both in the Dumbarton Oaks conference

<sup>1</sup>Address delivered over the Columbia Broadcasting System from Washington, D. C., on Nov. 9, 1946 and released to the press on the same date. Mr. de Wolf is Chief of the Telecommunications Division, Office of Transport and Communications, Department of State.



## ACTIVITIES AND DEVELOPMENTS

and in the San Francisco conference and is now one of the leading members of the United Nations organization.

At a Telecommunications Conference held in Bermuda in the fall of 1945 to settle certain outstanding questions between the United States and the British Commonwealth of Nations, it was informally agreed that it would be helpful to hold a Preliminary Five-Power Telecommunications Conference, somewhat modeled on the Dumbarton Oaks conference, to consider a basic reorganization of the existing International Telecommunications Union. I should explain that the International Telecommunications Union, which was first established at Paris in 1865 under the name of the International Telegraph Union, unlike the new Provisional International Civil Aviation Organization (PICAO) and the United Nations, has no permanent bodies which, in the interval between international telecommunications conferences, can effectively dispose of international telecommunications problems that may arise during such periods. Both the American and British Delegations at Bermuda felt the imperative need of creating a new Telecommunications Union which would be responsive to the ever-increasing problems in the field of telecommunications; and it was further felt that the success of a union required the active participation of the U.S.S.R., it being realized that, while such participation in the aviation field was useful, it was absolutely essential in the field of telecommunications. I might explain here that one of the most important functions of the Union is to provide mechanisms whereby interference between radio stations is eliminated or at least greatly minimized. While such elimination obviously is essential to your enjoyment of radio programs, it is a matter of life and death when it comes to the question of communications with ships at sea and even more so with planes in the air.

At the Bermuda telecommunications conference it was consequently informally agreed that either the preparatory or the main world conference should take place in Moscow and the other in the United States. The Soviet Government was then approached and indicated a willingness to follow such a program, expressing a preference for the

holding in Moscow of the preliminary conference and the convening in the United States of a world conference.

On September 24 of this year an American Delegation, composed of 26 representatives of Government agencies and of private American companies and organizations, left Washington by plane and flew to Berlin, where a Soviet plane transported it directly to Moscow. At the Moscow airport the Delegation was met by the Soviet Deputy Minister of Communications, Mr. Fortushenko. The latter proved himself to be an able and forceful representative of his country and one who on practically all issues was willing to meet the other delegations half way. He had the great advantage of being able to speak and understand the English language. In ten minutes' talk at the airport we agreed on the general conduct of the conference. The next day, September 28, the conference formally opened and continued for the following three weeks.

In his instruction to the chairman of the Delegation the Secretary of State had said, among other things, "The purpose of the meeting at Moscow is to hold informal preliminary discussions prior to the proposed World Telecommunications Conference." The Secretary of State further instructed the Delegation at no time to give the appearance of becoming a party to a five-nation bloc. Before outlining briefly the results of the Moscow telecommunications conference, I think it worthwhile to stress that one of the outstanding facts of the conference was the harmonious relations existing between the five delegations and the friendly spirit in which all matters were debated. Another interesting factor was the willingness of the Soviet Delegation to work in close cooperation with the American Delegation and to make reasonable accommodations in its position. It was evident that the Soviet Delegation had devoted considerable time and effort in preparing its proposals for consideration at the Moscow conference and that the Soviet Government desired to participate fully and actively in future international telecommunications arrangements. I might point out, in this connection, that at telecommunications conferences a large number of the delegates are known to each other since they have participated



in previous conferences. As a matter of fact, at these conferences national lines are often forgotten since it is not unusual to see broadcasting interests of various countries align themselves together to present a common front to, let us say, aeronautical radio interests. Radio waves have a way of ignoring man-made boundaries and of being very indifferent to political ideologies. And now as to what was accomplished at Moscow.

The conference decided that the next world telecommunications meeting should take place beginning July 1, 1947, at which time the telecommunications convention of Madrid would be revised to provide for an entirely new structure of the International Telecommunications Union. At the present time the Union consists merely of meetings taking place every five years and of a permanent bureau set up in Bern under the general administration of the Swiss Government. This bureau, however, has no powers whatever and for all intents and purposes is merely a registry office of radio frequencies and a publisher of service documents. All delegations present at the Moscow conference agreed that the new Union should have an administrative council, composed of 15 persons, a permanent secretariat, and a central frequency registration board. It was also agreed that the ITU should be affiliated with the United Nations organization and should become what is known in the Charter of the United Nations as a "specialized agency". The International Telecommunications Union, however, would retain its autonomous character and would be administered by its own council. The Central Frequency Registration Board (CFRB) is an American invention. As far as that goes, most of the other suggestions adopted by the Moscow conference were based on American proposals. For the last three years preparatory committees in Washington have been working on proposals for the complete reorganization of the international telecommunications administrative structure. The American proposal for the creation of a central frequency registration board, which was adopted unanimously by the Moscow conference, may be described briefly as follows. In the past, when a country wished to use a frequency for a particular radio station, it merely notified the Bern bureau

of the fact and the latter then published the information in what is known as a frequency list. It made no difference whether the proposed frequency would interfere with other radio stations in the rest of the world. Under the proposed set-up, a new procedure would be followed. Let us assume, for instance, that the United States wished to build a short-wave radio station in Washington, with a power of 50 kilowatts and a frequency of 15,000 kilocycles. This information would be forwarded to the central frequency board, on which would sit five impartial and competent radio technicians. They would examine the application of the United States to determine whether the proposed station would cause any interference to existing stations. If it did not, the frequency would be registered and would thereafter be protected from interference from any other stations in any other countries. If, on the other hand, the board was of the opinion that the new station with its proposed frequency would cause serious interference to one or more other stations situated in other countries, it would so inform the Government of the United States and suggest that the latter select some other frequencies. However, if the United States should insist on using the frequency in question, it would so inform the board. The latter would take note of this fact and publish the information given by the American Government in a column entitled "Notification". In these circumstances, however, no protection whatever would be given to the station by other countries and if the new station suffered interference it could not seek any remedy from any of the other members of the Telecommunications Union. This is obviously a step in the right direction, although it should be obvious that it still leaves quite a lot of latitude to the various governments since the board does not have the power to forbid the use of a frequency which it considers would cause interference to other stations in other countries.

The Moscow conference also agreed that there should be called in the fall of 1947 a world high-frequency broadcasting conference whose purpose would be, in the first place, to assign frequencies to short-wave stations all over the world and, in the second place, to establish a new world high-frequency broadcasting organization whose purpose

## ACTIVITIES AND DEVELOPMENTS

would be to facilitate in every way the interchange of short-wave broadcast programs between countries and eliminate causes of interference and in other ways improve the existing working of this important phase of telecommunications.

Finally, a personal word. During its whole stay in Moscow, the American Delegation was treated with the utmost courtesy and hospitality by the Soviet communication officials. It was given an opportunity to visit the Kremlin—a favor rarely bestowed, even on high foreign diplomatic officials in Moscow. It was invited frequently to the Moscow Opera, whose performances were magnificent. Technicians on the Delegation were afforded an opportunity to visit the telephone, telegraph, television, and broadcasting facilities of the Soviet Government in Moscow. A car was placed at the disposition of the members of the Delegation, who thus had an opportunity to visit the countryside around Moscow as well as the city itself. Every effort was made to make the stay of the American Delegation, and of the other delegations in Moscow, comfortable and pleasant.

And so, both from the professional and personal point of view, we all came back from the Soviet Union with a feeling that the Moscow conference had been a success and had accomplished the task with which it had been entrusted.

### FIFTH ASSEMBLY OF THE INTER-AMERICAN COMMISSION OF WOMEN<sup>1</sup>

The Fifth Assembly of the Inter-American Commission of Women will be held at the Pan American Union, Washington, D.C., December 2-12, 1946. The Fourth Assembly was held in Washington in April 1944.<sup>2</sup> Sessions of the Assembly will be restricted to members; however, on Friday, December 13, the Inter-American Commission of Women has invited women's organizations of the United States and of the other American republics

Among the important items on the agenda of

<sup>1</sup> Prepared by the Division of International Conferences of the Department of State in collaboration with the Department of Labor.

<sup>2</sup> BULLETIN of Apr. 8, 1944, p. 325.

<sup>3</sup> Prepared by the Division of International Conferences in collaboration with the Civil Aeronautics Administration.

to participate in a forum on "The Role of Women in the World Today".

the Assembly are: (1) the report on the position of women in the American republics which the Inter-American Commission of Women will present to the forthcoming Ninth International Conference of American States scheduled to be held in 1947; (2) the recommendations of the Commission to the conference for the women of the Americas; and (3) the statute and bylaws which will give the Commission its permanent status.

The Inter-American Commission of Women is an official organization which was created by the Sixth International Conference of American States held at Habana in 1928, continued at the Seventh Conference at Montevideo in 1933, and established on a permanent basis by the Eighth Conference which took place at Lima in 1938. There are twenty-one members, with one official delegate appointed by each of the American republics. The United States Delegate to the Inter-American Commission of Women is Miss Mary M. Cannon, who was appointed by President Roosevelt in April 1944. Miss Cannon is chief of the International Division of the Women's Bureau, United States Department of Labor.

From its beginning, the Commission has worked to secure civil and political rights for women. Its duties were enlarged by the Lima conference, when it was charged with the permanent study of all the problems concerning American women and asked to report to the Governing Body of the Pan American Union before each International Conference of American States, on problems concerning women which in its judgment should be considered.

### TWENTY-NINTH SESSION OF THE INTERNATIONAL COMMISSION FOR AIR NAVIGATION<sup>1</sup>

The Twenty-ninth Session of the International Commission for Air Navigation (ICAN or CINA) was held at Dublin, Ireland, from October 28 to October 30, 1946. Twenty-one of the thirty-three member states participated.

Glen A. Gilbert, consultant to the Administrator of the Civil Aeronautics Administration, attended the session as a United States observer.

(Continued on page 963)

## THE RECORD OF THE WEEK

### Effective Date of the Foreign Service Act

#### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

I am happy to say that our Ambassadors and Ministers abroad are today getting their first pay raise since 1855. This is but one of the improvements in our Foreign Service made possible by the Foreign Service Act of 1946, which was passed by the Congress three months ago and which becomes effective today.

This measure provides a framework for the better Foreign Service which must represent this

country abroad. It is very encouraging to me that this act was passed by the unanimous consent of both Houses and that Republicans and Democrats alike contributed to its provisions.

The Service has already established a tradition of non-partisan activity in the execution of a national foreign policy. The broad base on which the new act rests sustains my belief that it will continue in that tradition.

### The American Foreign Service of Tomorrow

#### BY ASSISTANT SECRETARY RUSSELL<sup>2</sup>

Tomorrow a major change comes over the Foreign Service of the United States. The Congress, fully aware of the importance of our foreign relations, passed, without a dissenting vote, in its last session an act which not only reorganizes that Service but goes far to revitalize it and make it a more powerful instrument of our national will. That act becomes effective tomorrow morning.<sup>3</sup>

The Foreign Service of the United States is today an organization of some 11,000 persons who serve their country in every foreign land. Although the members of the Foreign Service are most widely known for the diplomatic aspects of their work, in actual fact they try to be all things to all Americans abroad. The good Foreign Serv-

ice officer must be a combination of diplomat, attorney, judge, minister, newspaperman, editor, salesman, businessman, farmer, sailor, and economist. He is the man to whom all Americans turn for help in facing the endless problems which arise in foreign lands.

Here at home many governmental and private agencies perform varied services for the American people. Abroad where our citizens must depend

<sup>1</sup> Made on the occasion of the coming into effect of the Foreign Service Act of 1946 on Nov. 13, 1946 and released to the press on the same date.

<sup>2</sup> Address made over the Columbia Broadcasting System from Washington, D. C. on Nov. 12, 1946 and released to the press on same date.

<sup>3</sup> BULLETIN of Aug. 18, 1946, p. 333.



## THE RECORD OF THE WEEK

much more on our Government's representatives almost all the services are combined in the Foreign Service of the United States. When there is a mutiny on an American ship, when an American citizen runs afoul of foreign laws, when an American is born overseas, or when he wants to get married, it is our Foreign Service that is always ready to protect his rights or to help solve his problems. When a foreign government or its private citizens want to know about our agriculture, our literary development, our latest aircraft, our mines, or our business firms, again the Foreign Service provides the answers. It is this universal quality of the Service which makes it so fascinating but at the same time so complex. The ideal Foreign Service is something we shall aspire to but, with only human material, may never fully achieve.

The Foreign Service of the past has in my opinion done an excellent job. Despite insufficient funds and inadequate personnel it has contributed much to our national welfare.

The Foreign Service of coming years, however, must shoulder a much heavier burden and must do it well if our national heritage is to be preserved. Today, as never before in our history, the fate of our people depends on a solid foreign policy and on efficient execution of that policy abroad.

American foreign policy is not determined by the Foreign Service. Much of the raw material of that policy, however, is provided by the Service in its flow of reports to the various departments of the Government. This flow of intelligence from overseas is the grist for the policy mill of our Government. The policy itself is, of course, basically determined by the American people, but the issues are clarified and the problems resolved in Washington with the help of the reports and evaluations from the Foreign Service.

It is in the execution of our foreign policy that the Foreign Service plays its major role. Our Foreign Service officers serving as Ministers and Ambassadors, Counselors, Secretaries of Embassy, Consuls, Vice Consuls, and Attachés, are largely responsible for the successful application of that policy throughout the world. On high levels such as the Council of Foreign Ministers or the Security Council of the United Nations, the

Secretary of State or the members of Congress may participate in policy implementation, but the great bulk of the work in its far-reaching detail is done in the field by the professional Service. If this world-wide Service performs its function well, if it represents our national will and skilfully executes our foreign policy, it may do much to bring us through the anxious years ahead without conflict and with the friendship and support of the nations of the world.

If on the other hand the Foreign Service bungles its job, if we clumsily make enemies in small things as well as large, we may find ourselves again facing a major war.

Fortunately the cost of a fine Foreign Service is not great from a monetary point of view. A single day of the last war cost \$245,000,000. One day of such a war could have operated the Foreign Service for years. I do not think I have to emphasize the point that the dollars spent on such a service are an investment if that service can help to make a war unnecessary. Even if it cost a great deal more, I am sure all would agree that it is worth it to have the reality of peace and prosperity in this world brought nearer. The Foreign Service is but one of several major tools to achieve this end but a very important one.

Tomorrow a great change comes over our Service, a change that has been long due and long hoped for. Thanks to the Foreign Service Act of 1946 we will be able to pay our personnel overseas salaries on which they can live and do their jobs. In the past our representatives abroad have often had to pay their own expenses. As a consequence it has sometimes been necessary for us to select men with a view to personal wealth. This has resulted in some instances in the man best fitted for the job not being available. With the salaries now authorized and the allowances which we hope the next Congress will appropriate, this unfortunate situation will largely be a thing of the past. We are still not as generous to our Foreign Service personnel as some other nations, but from tomorrow almost all of our representatives abroad will be able to live and work on their government salaries and allowances.

Tomorrow another anachronism is abolished: a professional Foreign Service officer will be able to accept the job of Minister or Ambassador

without withdrawing from the Service. Oddly enough in the past such an appointment required resignation from the Service. It was as if a colonel were required to resign from the Army to become a general.

But we cannot be content with the existing merits of the personnel, for it is only through growth and weeding out that the Service can attain the highly tempered efficiency for which we strive. There are always some who fall by the wayside, who fail to live up to the promise of younger years, who cease to develop. These men must go if there is to be a continual development and advancement of the Service as a whole. To achieve this end we will put into effect a promotion-up or selection-out program in some ways similar to that of the Navy. Foreign Service officers who fail to gain promotion after a given period of time will be retired from the Service to be replaced by those who are continuing to grow in stature. This will be hard on many men who have and will perform valuable services, but it is essential if the country is to have representation abroad of the caliber it requires today.

To carry on the development of Foreign Service personnel throughout their careers, a Foreign Service training program is now under way. Here we have borrowed from the sister services, the Army and the Navy, the concept of continuous in-service training throughout a man's career. We visualize our future representative abroad as having the benefit of several tours of duty at a Foreign Service Institute specifically designed to increase that man's value to the Service. We also hope, as part of this program, to enable officers to spend some time at leading universities broadening their backgrounds and expanding their interests. As a climax to the training of the future Ambassador or Minister, attendance at the National War College is envisaged. Already we have 11 officers taking the first course to be given by that highest-level Governmental educational organization.

In a further effort to broaden the base of the Service and to give it flexibility a Foreign Service Reserve Corps is being created. This will be composed of individuals of unusual skills and professions who will serve as officers overseas for short periods of time, and will give to the Ameri-

can representation the benefit of their specialized training and background.

Another basic change that comes over the Service tomorrow lies in the nature of its top direction, the Board of the Foreign Service. In the past the Department of State has had only limited advice and assistance from the other departments of the Government in the supervision of the Service which represents all national interests abroad. The new organization, the Board of Directors, so to speak, is made up of representatives of the Departments of Labor, Agriculture, Commerce, and State, with other governmental agencies sitting in when matters of concern to them are being considered. We feel that this joint supervision will reflect more clearly than in the past the true balance of our varied interests abroad. For in the broad picture our Service represents no one branch of our Government but our entire community of effort, and the broader the base of our guidance the sounder should be our actions.

I look forward to a tremendous improvement in the quality of our Service as well as to an increase in its strength. An increase from 11,000 to 17,000 members of the Service may not sound great in terms of other Government agencies, but we feel that it will take us out of the unhappy situation of just getting by with the job and into the solid position of doing the job thoroughly and well. One of the interesting aspects of this expansion, which is already under way, is the number of veterans of the recent war who are entering the Service. Among the Army, Navy, and Marine officers and men who fought World War II there has developed a keen sense of the importance of international relations. They have seen war, and they don't want to see another. The Service is most fortunate to be able to draw these men into its ranks, and we now estimate that within a year 40 percent of the Foreign Service officers who will be serving abroad will be veterans. They are bringing to our Service a valuable background—experience in the most rugged realities of life that will temper the Service in all its aspects.

Thus strengthened and revitalized the Foreign Service of tomorrow will more truly represent America and the ideals in which we believe. It may be one of the principal agencies for bringing about that world peace for which we all strive.

# The Foreign Economic Policy of the United States <sup>1</sup>

BY UNDER SECRETARY CLAYTON

Time and science having mastered those physical phenomena which served as the chief bulwark of the isolationists, the American people are now settling down to their responsibilities as full partners in world affairs and appear to like it. At least one would judge so from the attention which the subject receives, particularly in the press and on the radio. The emphasis so far having been on the political aspects of our foreign policy, I wish to direct your attention this evening to its economic aspects. The two are closely tied together.

The objective of the foreign economic policy of the United States Government is to lay the foundation for peace by an expansion in world economy, that is, by an increase in the production, distribution, and consumption of goods throughout the world, to the end that people everywhere may have more to eat, more to wear, and better homes in which to live.

Sounds very simple, doesn't it? And it is simple. It is only in the formulation of measures to achieve our objective that we run into some opposition and some difficulties.

But let us first examine the objective itself.

As we have said it is a simple objective. We do not claim for it any altruistic motives. There is, however, nothing inconsistent in the protection of enlightened self-interest with a due regard for the rights and interests of others. Indeed, the two almost invariably go hand in hand.

So, let us admit right off that our objective has as its background the needs and interests of the people of the United States.

We have here a large and growing population with the highest standard of living and the greatest productive capacity in the world. Indeed,

our productive capacity of many important commodities exceeds that of the rest of the world combined. That capacity, however, is geared to the production of much more of some things than our people require. Likewise, we require of many other things much more than we can produce.

Thus, the efficient operation of our productive machine leaves us with great deficits and great surpluses, which we must trade out with the rest of the world.

We need markets—big markets—around the world in which to buy and sell. We ask no special privileges in any of these markets. We hope that others will neither ask nor be granted special privileges.

In the Atlantic Charter, and again in the mutual aid agreements, we laid down the principle of free and equal access by all countries to the trade and raw materials of the world. We are devoted to that principle. It is basic. It doesn't mean free trade. It means non-discriminatory trade.

So much for the policy. Now how is it to be put into effect?

Measures for implementing this policy fall into two general categories:

The first relates to financial assistance to countries faced with problems of relief, reconstruction, and development.

Since the end of the war the United States Government has made available as grants for emergency relief and rehabilitation abroad about three billions of dollars. In addition, it has made available as credits for reconstruction and development in foreign countries, for the purchase of surplus property, and for the financing of lend-lease pipe-lines, inventories, etc., a total of about 17 billions of dollars. A grand total of about 20 billions of dollars. Nearly half of this sum represents contributions of the United States Government to international organizations to which other governments have also contributed substantially. It will take some time to lend and spend this money. Without this help and the hope which

<sup>1</sup> Address delivered before the Thirty-Third National Foreign Trade Convention in New York, N. Y., on Nov. 13, 1946 and released to the press on the same date. Mr. Clayton is Under Secretary for Economic Affairs, Department of State.



it has revived in the hearts of millions of people, chaos would have followed the end of the war in some countries and world recovery would undoubtedly have been retarded for many years.

The second measure designed to promote the achievement of our objectives relates to the elimination of discriminations and the reduction of tariffs and other barriers which restrict world trade and limit the production and consumption of goods.

The United States Government is moving on a broad front in this field.

In the summer of 1945 the Hull Reciprocal Trade Agreements Act was renewed by Congress for the fourth time, and with broadened powers.

About a year ago the Government issued its *Proposals for the Expansion of World Trade and Employment*.

These proposals deal with such problems as reductions in trade barriers, elimination of discriminations in international trade, prevention of restriction of international commerce by the action of cartels and combines, intergovernmental commodity arrangements for dealing with the problem of surpluses, the adoption of a common code to govern the regulation of international commerce by governments, and the creation of an International Trade Organization under the Economic and Social Council to administer such a code.

Nearly a year ago, the Government of the United Kingdom announced its full agreement on all important points in these proposals and its acceptance of the proposals as a basis for international discussion.

Subsequently, the French Government made a similar announcement.

Since October 15, representatives of our Government have been meeting in London with spokesmen from 17 other countries as members of a preparatory committee of the United Nations Conference on Trade and Employment to discuss plans for a broad international agreement on the conditions of trade and a suggested charter of an International Trade Organization. This Conference was called by the Economic and Social Council of the United Nations.

Next spring we shall meet again with the same countries to negotiate specific reductions in tariffs,

the elimination of discriminations in international trade, and to reach more definite agreement on the charter.

Then, next summer or autumn, we expect that there will be a world conference under United Nations auspices to which most of the countries of the world will be invited for the purpose of discussing, and we hope accepting, the draft charter of an international trade organization worked out by the Preparatory Committee.

Out of this process should come agreement on reciprocal reductions of trade barriers and elimination of discriminatory practices; a code of foreign trade policy dealing with governmental trade barriers, restrictive practices by private business, and intergovernmental commodity agreements; and a constitution for an international trade organization.

Our objective is always an expansion in world economy through an increase in the production, distribution, and consumption of goods.

Our method—international agreement.

Formerly, nations acted unilaterally in matters affecting their international trade; in doing so, they usually hurt their neighbors, the neighbors retaliated, and, in the end, everybody was hurt and everybody was mad. Hereafter, we expect that actions affecting other countries will only be taken after consultation, through the machinery of the proposed International Trade Organization.

I do not need to argue before this audience the merits of measures designed to increase the exchange of goods and services between nations. The purpose of our attack on excessive barriers to such exchange is to bring about a rising standard of living for our people and for all peoples.

Although this alone cannot guarantee peace, the realization of higher living standards everywhere will create a climate conducive to the preservation of peace in the world.

We know from experience that the kind of economic warfare waged by most nations in the interwar period sows the seeds of discord and renders improbable any effective international agreement on the essential elements of peace.

Now, the principal criticism we hear of our program is this: that we are following the course pursued after the first World War in the stimulation of exports through foreign lending, and in the end

## THE RECORD OF THE WEEK

that the results will be the same: an unhealthy expansion in production followed by a collapse when the lending stops, inability to collect the sums loaned abroad, getting ourselves called "Uncle Shylock", and, in the end, making enemies and not friends.

Well, I am afraid this does describe what happened after the first World War but it tells only part of the story. In that war, we ran debts against our Allies for the billions of dollars of munitions and supplies which we furnished them and which they shot away at our common enemies. This time we knew better. We have not asked our Allies to return in kind or in money things consumed or destroyed in our common defense. We knew they could never be returned.

Following the first World War, it is true that much American capital was loaned and invested abroad. It is also true that while this was going on Congress piled one high tariff on top of another, making it extremely difficult for foreigners to repay.

In spite of this, while there have been some extremely bad spots, our investors abroad have not fared badly on the whole.

A study by the Department of Commerce shows that on an aggregate investment abroad of approximately 13 billion dollars, United States investors received during the 21-year period 1920-1940, approximately 12 billion dollars in interest and dividends. At the end of 1940 their foreign investments were still estimated to be worth nearly 10 billion dollars. Put another way, American investors got practically 3 percent per annum on their money invested abroad for 21 years plus the return of 30 percent of their capital, with the remaining 70 percent estimated to be worth 100 cents on the dollar.

Investors in American railway bonds and American real estate bonds, for example, did not fare so well.

This time we know better than to raise tariffs. On the contrary, we propose to make reciprocal, selective reductions in tariffs and to clear away other impediments to the international exchange of goods in order that our debtors may have an opportunity to repay us, may continue to buy our surpluses, and in order that our standard of living and theirs may be raised, not lowered.

But, the critics are saying: "That is all very well. Your policy will be very popular while the proceeds of your loans are being spent with resultant increase in exports, in production and employment, but just wait until the borrowers start paying back by the shipment of goods into the United States in competition with our own production, then you will see what will happen; production here will drop, unemployment will set in, and the depression will be on."

This view fails to take account of important changes in our domestic economy in the past decade.

With a substantial increase in population accompanied by a 50 percent expansion in domestic economy, we need more of foreign goods of all kinds. Much larger imports of raw materials are required to feed our greatly expanded facilities for the manufacture of producer and capital goods. Our productive facilities in the consumer goods field have shown comparatively little increase in the past decade; hence, our need to import larger quantities of such goods to satisfy the demands of a prosperous and growing population.

It will require less than a billion dollars a year for 25 years to completely amortize all the foreign credits made available by our Government since the end of the war, including our contributions to the International Bank and the International Monetary Fund. After a few years, this sum should be provided by the annual expenditures of American tourists alone.

Many people still look upon the United States as nearly self-sufficient. As a matter of fact, this was never true by any modern standard and it is much less true today than ever before.

Due to the serious depletion of our natural resources during the war, we must now import many metals and minerals which before the war we even sometimes exported, such as copper, lead, and zinc. Today we must annually import 150 to 200 million dollars worth of copper alone, whereas before the war, we sometimes exported copper.

Indeed we are today net importers of practically all the important metals and minerals except two—coal and oil. Who knows how long we can go without importing oil?

In the past, the emphasis in our foreign trade has been on exports; within the near future it will

probably be on imports. This is true because of our shift from debtor to creditor, because of the depletion in our natural resources, and because of the wants of a growing and prosperous population.

No nation in modern times can long expect to enjoy a rising standard of living without increased foreign trade.

Because of our dependence upon imports of strategic metals and minerals, what happens to American-owned reserves of such materials abroad is a matter of national concern. We ask no special privileges. American enterprises in the foreign field require only equitable treatment, and the right of the free flow of their products to market.

The rights of all legitimate enterprises established by U.S. nationals abroad are of concern to the Government. They are dealt with in treaties of friendship, commerce, and navigation similar to the treaty which we signed with China last week. We are actively at work on a major program for negotiating treaties of this character with many governments. The program is designed to modernize and extend the coverage of existing treaties, some of which are more than a century old. These instruments determine the basic treaty rights of American nationals, corporations, goods, and vessels in foreign countries. In most respects they are completely mutual, assuring the other country the same rights as are obtained by the United States. They complement the provisions of the draft charter of the International Trade Organization with respect to trade barriers.

Now, these plans and programs which we have been discussing this evening would have little meaning in these times if they did not tie right into the problem of world peace. Not all wars have had their origins in economic causes but most of them have. This is recognized in the organization of the United Nations where the Economic and Social Council is a principal organ along with the Security Council.

Our program for expansion of world economy and the promotion of economic peace among nations, which will always be associated with the beloved name of Cordell Hull, has become a national program endorsed by leaders of both parties, supported by labor, agriculture, and industry, and

opposed only by special interests seeking the preservation of a high protectionist policy. The National Foreign Trade Council has always been in the forefront of the supporters of this program.

Our objective can be finally achieved only through the constant watchfulness and support of the American people. An abandonment of the program is unthinkable because it would be a step backward with serious consequences for the peace of the world.

There are only two economic roads open to us. One leads backward to the tragic mistakes all of us made following the first World War. The other leads forward to prosperity and peace.

Which road shall we take?

The answer depends on you and me and 140 million other Americans.

---

#### **Chemical Society Gift**—Continued from page 938

The text of the resolution approved by the board of directors of the American Chemical Society is as follows:

"It was moved, seconded, and carried that a sum not to exceed twenty-five thousand dollars (\$25,000) be appropriated for the payment of expenses in this country of foreign chemists and chemical engineers who wish to engage in advanced study and who could not make the trip without such aid, the persons to be designated by the Secretariat of the United Nations Educational, Scientific and Cultural Organization, provided that those chemists and chemical engineers selected agree to return to the country of their origin for a period of not less than two years after completion of their work in this country, and further provided that adequate funds for this purpose have not been provided to UNESCO by the participating nations, and further provided that the Division of Natural Sciences of UNESCO is organized in a manner which the American Chemical Society Board of Directors believes adequate to accomplish its purpose; and that the Treasurer be and is hereby authorized and instructed, upon certification by the Secretary of the Society that the conditions herein specified have been met, to make the necessary expenditures from funds not otherwise appropriated."



## Prosecution of Major Nazi War Criminals

### REPORT FROM FRANCIS BIDDLE TO PRESIDENT TRUMAN<sup>1</sup>

[Released to the press by the White House November 12]

*Text of letter sent by the President on November 12 to Francis Biddle, United States Member of the International Military Tribunal*

DEAR JUDGE BIDDLE:

I am profoundly impressed by your report, which I have studied with careful attention.

When the Nürnberg Tribunal was set up, all thoughtful persons realized that we were taking a step that marked a departure from the past. That departure is emphasized in the verdict and the execution of the Nazi war criminals and in your recommendations for the guidance of nations in dealing with like problems in the future. An undisputed gain coming out of Nürnberg is the formal recognition that there are crimes against humanity.

Your report is an historic document. It is encouraging to know that the dissent of the USSR was not on the fundamental principle of international law but over the inferences which should be drawn from conflicting evidence.

I am impressed by the change in point of view of the defendants and their lawyers from indifference and skepticism at the outset to a determination to fight for their lives. The fact that you and your colleagues could bring about this change in attitude is in itself a tribute to the judicial spirit and objectivity of the Tribunal.

I am satisfied that the defendants received a fair trial. I hope we have established for all time the proposition that aggressive war is criminal and will be so treated. I believe with you that the judgment of Nürnberg adds another factor tending toward peace.

That tendency will be fostered if the nations can establish a code of international criminal law to deal with all who wage aggressive war. The setting up of such a code as that which you recom-

mend is indeed an enormous undertaking, but it deserves to be studied and weighed by the best legal minds the world over. It is a fitting task to be undertaken by the governments of the United Nations. I hope that the United Nations, in line with your proposal, will reaffirm the principles of the Nürnberg Charter in the context of a general codification of offenses against the peace and security of mankind. All of these recommendations bring into special prominence the importance of the decisions which lie in the future.

Since your work is completed I accept as of today your resignation as United States Member of the International Military Tribunal. You have been part of a judicial proceeding which has blazed a new trail in international jurisprudence and may change the course of history.

To your work you brought experience, great learning, a judicial temperament and a prodigious capacity for work. You have earned my thanks and the thanks of the Nation for this great service.

Very sincerely yours,

HARRY S. TRUMAN

*Text of Judge Biddle's report to the President*

WASHINGTON, D. C.

November 9, 1946.

DEAR MR. PRESIDENT:

You will remember that when I conferred with you after my return from Nürnberg you asked me to make a report to you on The International Military Tribunal for the punishment of the major Nazi war criminals, and to make recommendations for further action. This report and these recommendations I now have the honor to submit to you.

When you appointed me, a little over a year ago, as the American Member of the Tribunal you expressed your abiding interest in this, the first serious attempt to try those leaders of Germany who had been responsible for launching the war and who were the prime cause of the appalling atrocities which followed in the wake of that war.

<sup>1</sup> Judge Biddle was United States Member of the International Military Tribunal. For further information, see Report of Justice Jackson, BULLETIN of Oct. 27, 1946, p. 771.

You were particularly anxious, I remember, that no disagreement should arise among the four great nations who on August 7, 1945, had signed the London Agreement and Charter providing for the trial, formulating the law and establishing the practice, a disagreement which might prevent or obstruct this significant experiment in the field of international justice. It was your hope that Nürnberg might serve as a working example for the world of how four nations could achieve results in a specific field of endeavor. You recalled the failures in trying war criminals after the first World War, and were fully aware of the difficulties that would be encountered. There were four different systems of law and practice to be reconciled, with their varying points of view and procedures. International law—the law and practice of nations—was indeed a base and a background, but had in its practical application become somewhat sterile and academic. Language difficulties were presented, the whole thing was in a tentative and uncertain state.

It is not, of course, for me to say whether justice was done by the Judgment of Nürnberg. That Judgment is now being discussed by the informed public opinion of the United States and of the world. But I think I can say that the unity of action that you hoped for among the four nations a year ago has been well realized. The fundamental principles of international law enunciated by the Judgment of Nürnberg were stated unanimously in the opinion of the Tribunal by the four member nations, the United States, United Kingdom, Republic of France, and the U.S.S.R.

This unity resulted from a willingness by all four nations to compromise on inevitable and desirable differences in points of view. This give and take, the essence of the democratic process, could not have been accomplished over night. Many weeks went by before mutual confidence between the members, an essential condition to prompt and effective work, was established. We were not interrupted by other engagements. We did not adjourn. We stayed in Nürnberg for a year, until finally the job was done. And this stability, this day-to-day relationship, made easier the development of a habit of cooperation. The Tribunal, for instance, sat in public session for six hours every day.

Parenthetically I should like to add a word about the dissent of the U.S.S.R. The comments I have made about the unanimity at Nürnberg are not affected by the dissent on certain individual defendants, as, indeed, the judges of the U.S.S.R. were careful to point out. The dissent did not express any disagreement with the fundamental principles of international law, in which General Nikitchenko fully joined; in fact it was on those principles that he based the reasoning for his dissent. The dissent in a word was over the inferences which should be drawn from conflicting evidence. I personally believe that this difference—on the facts and not on the law—was extremely healthy.

At the beginning we established a rule that no member of the Tribunal should talk to the press or give interviews. This was rigidly adhered to. Any announcements were made through the General Secretary, and were announcements of the Tribunal, not of any individual member. Very soon we found that less constraint existed if our conferences were not minutely recorded. We therefore kept only a brief record in our minutes of the decisions. On rare occasions a member would record his disagreement, giving the reasons. These private sessions were held two or three times a week so as to deal currently with the constant flow of motions and applications.

When I use the word *members* I mean to include the alternates. Except in the actual voting in decisions, which was the responsibility of the members under the Charter, the alternates took as active a part at the private sessions. And I should like here to express my gratitude to my associates—the fairness and courtesy of the British; the patience and cooperation of the representatives of the U.S.S.R.; the French sense of logic coupled with a warm feeling for human justice. The long judicial experience and sound common sense of my alternate, Judge Parker, were of the greatest assistance to me, and, indeed, to all of us.

It was interesting to feel—what all of us so keenly felt—the change in the point of view of the defendants and their lawyers as the trial progressed. At first they were indifferent, skeptical, hostile. But very soon, as the Tribunal ruled on the merits of the motions that arose, frequently against the prosecution, and went to great

pains to obtain witnesses and documents even remotely relevant to the defendants' case, this attitude changed: the defendants began to fight for their lives. And what had threatened to be a sounding board for propaganda or a stage for martyrdom, turned into a searching analysis of the years that felt Hitler's rise to power and his ultimate destruction—the objective reading of this terrible chapter of History. This change was in itself an instinctive tribute to our concept of Justice.

What, basically, did Nürnberg accomplish? Within a year and a half after the war ended the major war criminals were tried and punished. Although the judges were selected from the victorious allies, the trial was fair. This has been universally recognized. But of greater importance for a world that longs for peace is this: the Judgment has formulated, judicially for the first time, the proposition that aggressive war is criminal, and will be so treated. I do not mean that because of this interpretation men with lust for conquest will abandon war simply because the theory of sovereign immunity cannot be invoked to protect them when they gamble and lose; or that men will ever be discouraged from enlisting in armies and fighting for their country, because military orders no longer can justify violations of established international law. Such a conclusion would be naive. But the Judgment of Nürnberg does add another factor to those which tend towards peace. War is not outlawed by such pronouncements, but men learn a little better to detest it when as here, its horrors are told day after day, and its aggressive savagery is thus branded as criminal. Aggressive war was once romantic; now it is criminal. For nations have come to realize that it means the death not only of individual human beings, but of whole nations, not only with defeat, but in the slow degradation and decay of civilized life that follows that defeat.

The conclusions of Nürnberg may be ephemeral or may be significant. That depends on whether we now take the next step. It is not enough to set one great precedent that brands as criminal aggressive wars between nations. Clearer definition is needed. That this accepted law was not spelled out in legislation did not preclude its existence or prevent its application, as we pointed out in some

detail in the Judgment. But now that it has been so clearly recognized and largely accepted, the time has come to make its scope and incidence more precise. Thus in 1907 the Rules of Land Warfare adopted by the Hague Convention did not so much create new law as formulate for more effective application a definition of those practices which had been already outlawed for many generations by most civilized nations. These practices were not specifically termed criminal by the Convention. But thereafter they have always been punished as crimes.

In short, I suggest that the time has now come to set about drafting a code of international criminal law. To what extent aggressive war should be defined, further methods of waging war outlawed, penalties fixed, procedure established for the punishment of offenders I do not here consider. Much thought would have to be given to such matters. But certain salutary principles have been set forth in the Charter, executed by four great powers, and adhered to, in accordance with Article 5 of the Agreement by 19 other governments of the United Nations. Aggressive war is made a crime—"planning, preparation, initiation or waging of a war of aggression." The official position of defendants in their governments is barred as a defense. And orders of the government or of a superior do not free men from responsibility, though they may be considered in mitigation.

For, as we pointed out in the Judgment, criminal acts are committed by individuals, not by those fictitious bodies known as nations, and law, to be effective, must be applied to individuals.

I suggest therefore that immediate consideration be given to drafting such a code, to be adopted, after the most careful study and consideration, by the governments of the United Nations.

The Charter of the United Nations provides in Article 13 that "the General Assembly shall initiate studies and make recommendations for the purpose of . . . encouraging the progressive development of international law and its codification." Pursuant to this Article the United States has already taken the initiative in placing upon the Agenda of the General Assembly meeting in New York the question of appropriate action. The time is therefore opportune for advancing the proposal that the United Nations as a whole re-



affirm the principles of the Nürnberg Charter in the context of a general codification of offences against the peace and security of mankind. Such action would perpetuate the vital principle that war of aggression is the supreme crime. It would, in addition, afford an opportunity to strengthen the sanctions against lesser violations of international law and to utilize the experience of Nürnberg in the development of those permanent procedures and institutions upon which the effective enforcement of international law ultimately depends.

I am taking this opportunity to resign as the United States member of The International Military Tribunal and am asking that you make my resignation immediately effective. I want to thank you for the honor of being appointed, for the admirable and intelligent help given us by the United States Army of Occupation in Germany which your orders made immediately available.

With warm personal regards, believe me,

Respectfully yours,

FRANCIS BIDDLE

### Recommendations by Ambassador Pauley on Japanese Reparations

[Released to the press November 17]

The Acting Secretary of State announced on November 17 that Ambassador Edwin W. Pauley, United States Reparations Representative, had that day submitted to the President a comprehensive report on Japanese reparations compiled after an exhaustive study of Japanese industries by a mission of American experts under his direction.

Ambassador Pauley's report recommends complete removal of all plants devoted to the making of arms, ammunition, and implements of war (other than those subject to destruction or scrapping by the military), and all plants making synthetic rubber, aluminum, and magnesium.

It recommends substantial removals of facilities in these categories: electric power, iron and steel, iron ore and ferro-alloy minerals, copper, machine tools, chemicals, heavy electrical machinery, industrial explosives, communications and communications equipment, railroad equipment and rolling stock, shipbuilding and merchant shipping.

The Pauley report proposes immunity from reparations for the following industries: handicrafts (including pearl culture), silk, leather, fisheries, light electrical appliances, cement and building materials, food processing, lumber and sawmill equipment, ceramics, coal, crude petroleum, crude-rubber processing, mining of gold and silver, and refining of zinc, lead, tin, sulphur, and pyrite.

It leaves for later determination the decisions

as to woolen textile machinery, synthetic fiber, cotton, paper, and pulp.

The report was completed in April and was submitted to the Department of State for review by the State-War-Navy Coordinating Committee before presentation to the President.

In submitting his report to the President, Ambassador Pauley said:

"The present report is intended to develop further the principles and recommendations of my interim report, submitted to the President on December 19, 1945.

"In that report, I emphasized the importance of an immediate program of deliveries to the nations entitled to reparations. I have reaffirmed that emphasis in the present report because my observations and those of my staff indicate the rapid deterioration of a great deal of material in Japan, owing to exposure to the elements and to packing difficulties."

In his interim report, Ambassador Pauley also pointed out that the recommended interim removals would probably be below the total sum which the Allied governments would eventually allocate to reparations. In the present report, in a number of instances, he recommended greater reductions of Japanese plants and facilities but in other instances he recommended some increases in plant capacity to be allowed to remain in Japan.

Concerning potential effects upon Japan's econ-

## THE RECORD OF THE WEEK

omy, Ambassador Pauley said that "in every instance, my recommendations follow the principle of severity combined with fairness in order to effect the industrial disarmament of Japan, but, at the same time, to make it possible for the Japanese people to establish a reasonable economy under which they can live at peace with all nations and especially with the nations against which they so recently aggressed." He continued:

"In this report, I have not dealt specifically or separately with Japanese industrial assets in countries or territories formerly ruled or overrun by Japan. In respect to all such countries and territories, I feel strongly that the American policy should not be to remove Japanese-owned industrial assets. On the contrary, the Japanese physical assets should remain in countries in which they are located and their value entered against the reparations claims of those countries.

"Furthermore, American policy should concern itself with determining what Japanese plants and equipment in Japan proper, formerly used to exploit the raw materials and human resources of a territory subject to Japanese rule or control, can advantageously be transferred to help round out an independent economy for that territory and its people."

In his report, Ambassador Pauley strongly recommended against four kinds of reparations: labor reparations, reparations from current production or recurrent reparations, reparations out of stocks and materials on hand, and the taking of stocks and bonds of commercial enterprises in Japan as reparations.

"Generally speaking", he said, "the nations which are entitled to reparations from Japan have a surplus of labor themselves, and I believe that the exportation of Japanese labor as reparations would delay the raising of the standards of labor and of living which are so urgently needed throughout eastern Asia.

"As to recurring reparations, I oppose them because they could only be achieved by expanding the industry of Japan. The result would be to leave Japan, after the reparations program had been completed, both with a surplus capacity con-

vertible to war potential and with a competitive potential in export markets which would delay the industrialization of neighboring countries."

As to reparations from existing inventories, stocks and materials on hand, except gold and other precious metals, Ambassador Pauley expressed the belief that such surpluses will be needed for commercial export during the transitional period to enable Japan to purchase minimum necessary imports.

The effort to take reparations in stocks and bonds, he commented, "is not only inconsistent with our whole policy of taking reparations, 'in kind', but would lead us to build up Japanese industry."

Describing the responsibility of his mission, the Ambassador stated:

"The mandate under which my mission has worked is to formulate policy. In order to execute that mandate, I have directed members of my mission to work with the kind of information which relates to broad categories of economic activity and to the relative orders of magnitude of those categories of economic activity most pertinent to reparations. I have therefore felt under no compulsion to require verification in minute detail of the accuracy of inventory and other data from Japanese sources furnished to my mission either directly or through the Supreme Commander for the Allied Powers.

"All members of my mission share the conviction that eventually the Japanese must be called on to furnish complete and accurate information in full detail. They can be constrained to do so by relatively simple programs of inventory and licenses, with appropriate penalties—such as confiscation—for misinformation or concealment of information."

Ambassador Pauley emphasized that "even the most conscientious formulation of policy necessarily leaves a number of marginal problems which must eventually become part of the responsibility of the executive agency which is charged with the implementation of policy."

"For instance, through disarmament and through reparations Japanese industry will eventually be unable to operate with some of the imported supplies that it formerly used, or to con-

tinue to manufacture a number of commodities which it formerly exported. In terms of broad categories, such contingencies can be foreseen and allowed for in the formation of policy; but it is impossible to foresee and allow for all contingencies.

"It is possible, however, to foresee that because of marginal industrial idleness arising from the effects of the reparations policy as a whole, a further surplus of equipment may become available either for reparations or for conversion to ap-

proved uses. In such cases, it is advisable that the Allied Powers should be in a position to authorize prompt decisions."

The Acting Secretary of State wishes to take this opportunity to express the appreciation of the State Department for the contribution which this report and the other reports which Ambassador Pauley and his staff have prepared on Japanese reparations have made to the United States policy on this subject.

## American Business With the Far East

BY JOHN CARTER VINCENT<sup>1</sup>

American business with the Far East began 162 years ago. The *Empress of China*, out of New York, put into Canton on August 30, 1784 after making a tortuous six-months' voyage around the Cape of Good Hope. The vessel's cargo, made up of furs, cotton, lead, and ginseng, was exchanged at Canton for tea, silk, and chinaware. The total investment in the venture was \$120,000. The promoters cleared \$30,000. This was good business; it was private enterprise; and it was mutually beneficial. I hasten to say here that I do not actually know how much the Chinese made out of the furs, cotton, lead, and ginseng, but having had some knowledge of Chinese businessmen, I still think I am safe in saying that the benefit was mutual.

In the course of the nineteenth century American business with the Far East expanded. Gradually our trade extended to other portions of the Far East: Japan, Korea, the Philippines, Siam, and adjoining areas of Southeast Asia. Throughout this period American trade with the Far East was based on sound business considerations. We asked for no concessions or special rights, nor were our business dealings based upon exploitation associated with political privilege or pressure.

During the nineteenth century the basic factor in our close ties with the Far East was trade. Our early treaties with China and Japan were framed largely with American business in mind. After

the Spanish-American War and our assumption of territorial responsibilities in the Pacific, notably in the Philippines, political and strategic factors gained weight, but on into the twentieth century commercial and cultural considerations were still to the fore in shaping our policies toward the Far East. Our enunciation of the "Open Door" and our insistence on non-discriminatory and most-favored-nation treatment were motivated largely by a desire to promote American business and expand international trade relations.

In his radio address last month Secretary Byrnes gave voice to traditional American trade policy in the following words:

"The United States has never claimed the right to dictate to other countries how they should manage their own trade and commerce. We have simply urged in the interest of all peoples that no country should make trade discriminations in its relations with other countries."<sup>2</sup>

By 1936 our foreign trade or business with the Far East was valued at close to one billion dollars. In the 20-year period from 1915-35 the Far East's share of our total exports increased from 5 percent

<sup>1</sup> Address delivered before the thirty-third convention of the National Foreign Trade Council in New York, N. Y., on Nov. 12, 1946 and released to the press on the same date. Mr. Vincent is Director of the Office of Far Eastern Affairs, Department of State.

<sup>2</sup> BULLETIN of Oct. 27, 1946, p. 743.



## THE RECORD OF THE WEEK

to 16 percent. In 1936 our total direct investments in the Far East amounted to roughly \$335,000,000.

In making this brief sketch, I have in mind a recent tendency toward taking an unbalanced viewpoint of our role in the Far East. Political and military considerations, as important as they are, seem to me to occupy a disproportionate share of present public attention. It is accepted that an all-important objective of our policies is to provide for the security of the United States and the maintenance of international peace, but I think we also have another objective of equal importance, that is, to bring about in the relations between ourselves and other states mutually beneficial commercial and cultural exchanges which will promote international welfare and understanding.

These are interrelated objectives. I feel strongly that we cannot be successful in achieving the kind of security we want, or in maintaining the kind of peace we want, unless we take an active and leading part in international commercial and cultural life. I will go further and say that a strong element in our security, and in the maintenance of peace, will be the development of commercial and cultural ties with other peoples.

At the same time, it is my conviction that a strong national defense is essential to the pursuit of our broader objective of developing commercial and cultural relations. We must be equal to the task of encouraging and supporting democracy and progress. There may be times and occasions when, in the short view, it will seem advantageous to our security to throw our weight or influence on the side of the *status quo*, on the side of those forces calculated to bring about immediate or early stability. But history, I believe, will show that strength lies on the side of progress.

In Chicago last April the President said:

"In the Far East, as elsewhere, we shall encourage the growth and the spread of democracy and civil liberties . . . The roots of democracy, however, will not draw much nourishment in any nation from a soil of poverty and economic distress. It is a part of our strategy of peace, therefore, to assist in the rehabilitation and development of the Far Eastern countries."<sup>3</sup>

<sup>3</sup> BULLETIN of Apr. 14, 1946, p. 623.

<sup>4</sup> BULLETIN of Oct. 27, 1946, p. 753.

Today we are faced with the problem of a return of American business to the Far East under conditions which are, to state it mildly, uninviting. Japan is a defeated country whose economy must perforce remain under Allied control for some time to come. Korea is a liberated country split in half at parallel 38 between us and the Russians. In China internal strife seriously retards steps toward economic recovery. In the independent Philippine Republic we are faced with a new situation to which we must adjust ourselves. In Indochina and Indonesia a return to normal trade conditions awaits a solution of problems presented by the self-governing aspirations of the peoples in those countries. In Siam—well, Siamese in Washington tell me that they will be glad to do business with any or all of you who will show an interest in their country.

But the over-all picture is not encouraging and it is not my intention to dress it up in attractive colors. In the brief time allotted me I want to say something of what we are doing in the various areas of the Far East to brighten the outlook.

General MacArthur has demilitarized Japan, but it is impossible to proceed with plans for post-war Japanese economy until some decision is reached with regard to the amount and types of industry that Japan will be allowed to retain and the amount that is subject to removal as reparations. We have reason to hope that a decision on the problem of reparations will be reached before the end of this year. Our main purpose shall be to achieve a healthy balance in Far Eastern economy for the benefit of commerce in the Far East and at the same time to insure the effective industrial disarmament of Japan.

As you know, Japanese overseas trade is controlled on a government-to-government basis. An Inter-Allied Trade Board for Japan was recently established by the Far Eastern Commission at the request of the United States.<sup>4</sup> Its purpose is to advise on the disposition of Japanese exports and on sources of imports.

Among the present obstacles to a change-over to private trading are an inflated and unstable currency and the inadequacy of transport and communications facilities. Although it is not possible to say how soon these obstacles can be overcome, I might hazard the guess that a resumption of

private trade with Japan will be possible some time during the latter half of next year, possibly sooner.

In Korea, we are now estopped from putting into operation an over-all economic plan by the inability of the Russians and ourselves to reach agreement on a unified administration for the country. We want a united Korea and we want to assist the Koreans toward self-government and independence. But while we continue our efforts to bring about a resumption of discussions in the Joint Soviet-American Commission, we cannot mark time. Therefore, we are taking measures to improve economic conditions in southern Korea and to bring Koreans more and more directly into the administration of their country. In doing so, however, we do not lose sight of the fact that a united self-governing Korea is the goal we are determined to achieve.

From what I have said it will be apparent to you why private trading in Korea is not now feasible. But the development of a healthy trade relationship between Korea and Allied nations is our aim, and consideration is now being given to measures which may soon make possible limited trade relations between Korea and private business concerns. We hope that American business will take an active interest in Korea.

Foremost among the problems facing the Philippines is reconstruction. Congress has approved two measures: the "Philippine Rehabilitation Act" and the "Philippine Trade Act of 1946".

The rehabilitation act authorizes a grant of \$620,000,000 for the payment of war claims of private property-holders, for various rehabilitation and training projects, and for purchase of surplus property. In addition, Congress has authorized a loan of \$75,000,000 to the Philippine Government to enable it to meet a serious budgetary situation.

The "Philippine Trade Act" provides that the Philippines shall continue to enjoy free trade with this country for a period of eight years, after which a graduated tariff will apply until full duties are levied at the end of 20 years.

We expect to cooperate with the new Republic in meeting the manifold problems facing it as an independent state. It may be anticipated that, with a return to more normal conditions, the Phil-

ippines will again represent a substantial and expanding market for American products.

From the standpoint of business, the areas of Southeast Asia have been of interest to the United States primarily as a source of supply for such products as rubber, tin, and petroleum. Because of our large purchases of these items our pre-war trade was in a chronic state of imbalance, our sales in most years being only about one tenth of our purchases.

You may recall a recent press statement by the Under Secretary of State for Economic Affairs, Mr. Will Clayton, to the effect that the United States should give greater support to foreign investments of its nationals in strategic minerals that are in short supply. This statement has a special application to the countries of Southeast Asia, and the Far East generally, as sources of supply of a number of strategic and critical materials. Investment along the lines proposed by Mr. Clayton should have the effect of increasing the importation of American materials into the areas concerned.

Last but far from least we have China.

We have signed with China a comprehensive "treaty of friendship, commerce and navigation". Most-favored-nation treatment is provided for individuals and corporations.

The treaty is somewhat broader in scope than existing United States commercial treaties in a number of respects. For instance, article 19 provides for fair and equitable treatment as regards the application of exchange controls, and article 20 embodies certain commitments with regard to monopolies. It is designed to meet the needs of present-day commercial relations with China.

China is expected to collaborate in the establishment of the proposed International Trade Organization and is one of the "nuclear" countries which have agreed to negotiate for the reduction of trade barriers. China will also be urged to enter into other multilateral economic conventions having as their objectives a promotion of international trade and the solution of international commercial problems through consultation and collaboration. Constant effort is being made to discourage other countries, including China, from adopting temporary measures in the fields of tariffs, trade barriers, and other domestic legis-

## THE RECORD OF THE WEEK

lation of a type which might jeopardize the successful attainment of this long-range economic collaboration.

Restoration of stability and direction in Chinese economy is retarded by the unhappy politico-military situation. The press, I feel, has made abundantly clear to you the ups and downs of General Marshall's mission. The National Assembly is scheduled to meet in Nanking today for the purpose of considering a constitution and reaching certain political decisions in regard to government organization. General Marshall hopes, and so do we, that wise counsels—the wisdom of China—will prevent the disaster of continued civil discord. Chinese economy and the Chinese people are already suffering acutely from the ravages of eight years of Japanese aggression and occupation. They cannot stand much more adversity.

Premier Soong has been reported recently as stating that upwards of 80 percent of China's expenditures are diverted to military purposes. Because of the wide gap between revenues and expenditures China has had to resort to large note issues with the inevitable result of accelerating inflation and a progressive rise in prices. The foreign exchange that might normally be expected to accrue from exports has been negligible in relation to outgo for imports. Consequently China's current balance-of-payments position has continued to deteriorate.

The exchange and foreign-trade regulations adopted by China, UNRRA's relief and rehabilitation program, and surplus sales and enemy-property disposals are only temporary palliatives. The Chinese must resolve the the present political impasse before any substantial improvement can be expected in China's economic situation.

In this connection I think it worthwhile to mention what I feel has been in some quarters a misinterpretation of General Marshall's mission as being solely political in its objective. Chinese economy is in a vicious circle. General Marshall is fully aware of this state of affairs and it has been his purpose to encourage the Chinese to break the vicious circle by reaching a political settlement that would result in a cessation of civil strife and make possible a revival of economic

activity. Sooner or later this must be done, and be done by the Chinese.

Military measures will not accomplish an enduring settlement. That is why General Marshall has advocated with such persistency settlement by the democratic method of negotiation and agreement.

In making this brief sketch of current conditions in the Far East I cannot be accused of optimism. But I do think the potentialities of an expanding American business with the Far East exist and can be developed if we go about it in the right way. This brings me to a thought which I would like to express and emphasize. When I use the term *American business* I have in mind all American business irrespective of whether it has a private, semi-official, or official character. I do not believe that we can have one standard for private business and another standard for official business.

A recent editorial in the *New York Times* states that our Government should base a loan policy upon the important principle "that loans are not gifts, and that any country applying for a loan must furnish, like any prospective private borrower, convincing proof that by virtue of its political, economic and trade policies it is a good credit risk".

Generally speaking, what is unsound for private capital is unsound for government capital, that is, for the taxpayers' money. I believe it is unsound to invest private or public capital in countries where there is wide-spread corruption in business and official circles, where a government is wasting its substance on excessive armament, where the threat or fact of civil war exists, where tendencies toward government monopolization exclude American business, or where undemocratic concepts of government are controlling.

In expressing the foregoing views, I do not of course ignore the advantages of cooperation between government finance and private trade or the fact that there are fields for the investment of government capital into which it is not feasible or attractive for private capital to venture. I have in mind large-range and long-term projects which are basic in character and are fundamentally sound from the standpoint of the economy of the country.

Assistant Secretary of State Spruille Braden



stated some weeks ago in Chicago that "the purpose of lending should be to create a net increment to the economy of a borrowing country. Therefore," he went on to say, "loans should not be made if they enable another government to acquire or displace existing efficient free enterprises, whether they be American in ownership or not."

In stressing the economic and trade features of our position in the Far East, I do not wish to give the impression that I am overlooking other factors. In this complicated world in which we are living we must give full consideration to the interrelation of the political, cultural, economic, and security factors in our foreign policy. For our policy to be effective there must be harmony among all these factors—the teamwork we find in a good basketball team or a fine string quartet.

The President, in establishing the Committee for Financing Foreign Trade, said: ". . . I am anxious that there shall be fullest cooperation between governmental agencies and private industry and finance. Our common aim is return of our foreign commerce and investments to private channels as soon as possible."

I look upon this statement as a recognition of and a challenge to American business. I am in Washington to do my part in carrying out the cooperation of which the President speaks. Please call on me if I can be of help to you in meeting the challenge.

#### Air Navigation Meeting—Continued from page 946

The more significant actions taken by the Commission are contained in the resolutions quoted below:

##### 1. The Commission,

taking into consideration the possibility of an early entry into force of the International Civil Aviation Convention done at Chicago on 7th December 1944 and the consequential denunciations of the Paris Convention by member States,

decides:

that each member State shall be at liberty to declare that it will cease to give effect in its territories to all or any of the provisions of Annexes A to G of the Paris Convention dated 13th October, 1919 as from a date or dates to be notified not less than 30 days in advance by the State concerned to the General Secretary of the Commission, who shall inform the other member States

and recommends:

that each member State shall give effect in its territories to the corresponding provisions approved by the Council of PICAO as fully and as quickly as possible.

##### 2. The Commission,

taking into consideration the possibility of an early entry into force of the Convention on International Civil Aviation drawn up in Chicago on 7th December 1944 and the consequential denunciation of the Paris Convention, and deeming it desirable to prepare now for the eventual liquidation of the ICAN, decides to set up a Liquidation Committee charged to study and recommend the measures to be adopted for this liquidation.

##### 3. The Commission,

taking into consideration the suspension of the work of its sub-commissions by reason of the possible liquidation in the near future of the ICAN, decides not to renew the appointment of its sub-commissions and committees with the exception of the Legal Sub-Commission.

The terms of reference of the Liquidation Committee were agreed upon as follows: (a) to prepare a plan of liquidation for submission by the General Secretary to the member states for their acceptance; (b) and if the liquidation plan is accepted unanimously, to place it into effect on April 1, 1947 or on the date of the coming into force of the convention on international civil aviation signed at Chicago on December 7, 1944, whichever is later. In case of opposition to the liquidation plan, the Secretary General was instructed to convene a plenary session of the Commission, preferably at the same time and place as the first assembly of the International Civil Aviation Organization. It was recommended that the Commission be completely liquidated by December 31, 1947.

#### Foreign Commerce Weekly

The following articles of interest to readers of the BULLETIN appeared in the November 2 issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Philippine Tobacco Operations at Low Levels", based on reports from C. A. Boonstra, agricultural attaché, American Embassy, Manila.

"Cuba's Avocado Output—Air Shipments Loom Large", based on a report from Philip M. Davenport, second secretary and vice consul, American Embassy, Habana.

## United States Philippine Training Program

### STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press November 14]

The primary purpose of the Philippine Training Program under the Philippine Rehabilitation Act is to provide technical training by various U.S. Government agencies so that the people of the Philippines may be enabled to rehabilitate them-

selves from the ravages of a war in which they gave so much to hasten final victory. It is my sincere hope that this purpose may be fulfilled and also that closer cooperation and greater understanding may result between the peoples of the Republic of the Philippines and of the United States of America.

### U.S. PARTICIPATION IN PROGRAM

[Released to the press November 14]

In a joint announcement on November 14 by the Government of the United States and the Government of the Republic of the Philippines, it was stated that plans are virtually completed for the initiation of the Philippine Training Program, which, under the provisions of the Philippine Rehabilitation Act passed by the 79th U.S. Congress, provides for the training of 850 citizens of the Republic of the Philippines by eight agencies of the United States Government during the next few years. The act provides that all trainees shall be designated by the President of the Philippines.

The Department of State has been charged with the responsibility for the coordination of the Philippine Training Program and will utilize for this purpose the facilities of the Interdepartmental Committee on Scientific and Cultural Cooperation, which has had seven years' experience with similar programs carried out in cooperation with the American republics.

The eight United States Government agencies authorized to provide the training, and which will work in close cooperation with appropriate agencies of the Philippine Government, are listed below:

Public Roads Administration of the Federal Works Agency

Corps of Engineers of the U.S. Army  
Public Health Service of the Federal Security Agency  
U.S. Maritime Commission  
Civil Aeronautics Administration  
Weather Bureau and  
Coast and Geodetic Survey of the Department of Commerce  
Fish and Wildlife Service of the Department of the Interior

The Commissioner of Public Roads is authorized to provide training for a maximum of 10 engineers from the regularly employed staff of the Philippine Public Works Department in the construction, maintenance, and highway traffic engineering and control necessary for the continued maintenance and for the efficient and safe operation of highway transport facilities.

The Chief of Engineers of the Army is authorized to provide training for a maximum of 10 engineers from among the engineer officers of the Philippine Army and the regularly employed staff of the Philippine Public Works Department, in the construction, improvement, and maintenance of port facilities and other works of improvements on rivers and harbors.

The Public Health Service may at any time prior to January 1, 1948 provide one year of train-

## Procedure for Filing War Claims With China

[Released to the press November 13]

In conformity with an instruction from the Central Government, the Shanghai Municipal Government has issued regulations for the investigation of war losses. It requests registration of such losses, suffered at any time between September 18, 1931 and the termination of hostilities with Japan, by public and private organizations "of the friendly powers" operating in China or by their nationals residing in China. American corporations should report their losses to the Bureau of Social Affairs; schools, to the Bureau of Education; and individuals, to the Bureau of Civil Affairs. Forms for reporting such losses are available in Shanghai and should be executed in triplicate. The time to file these registrations has expired, but the Shanghai Municipal Government is continuing to accept them pending the decision of the Executive Yuan on a request for a 90-day extension. Both direct and indirect claims may be filed. The former include death, personal injury, and property loss or damage claims, and the latter refer to losses due to increased expenses or decrease of net business profits. Property should be valued as of the date of the loss and should be computed in Chinese national currency. The original cost should also be stated if such figures are obtainable.

## Radio Broadcast on Displaced Persons

On November 16 George L. Warren, adviser to the Department of State on displaced persons, and Herbert A. Fierst, Special Assistant to the Assistant Secretary of State for occupied areas, discussed with Sterling Fisher, director of the NBC University of the Air, the question "Why Should Americans Worry About Displaced Persons?" This program was one in a series entitled "Our Foreign Policy", presented by NBC. For a complete text of the radio program, see Department of State press release 816 of November 15, 1946.

ing in appropriate schools or colleges in the United States to not more than 100 Philippine citizens in public-health methods and administration.

The U.S. Maritime Commission is authorized to train a maximum of 50 Philippine citizens each year prior to July 1, 1950 in the Merchant Marine Cadet Corps and at a United States Merchant Marine Academy. These trainees will be subject to the same rules and regulations as the regularly enrolled cadets of the two schools.

The Civil Aeronautics Administration will provide training for not more than 50 Philippine citizens each year before July 1, 1950 in air-traffic control, aircraft communications, maintenance of air-navigation facilities, and such other airman functions as are deemed necessary for the maintenance and operation of aids to air navigation and other services essential to the orderly and safe operation of air traffic.

The Weather Bureau is authorized to provide training for 50 Philippine citizens in the first year and not to exceed 25 in each succeeding year prior to July 1, 1950. Their training will include meteorological observations, analyses, forecasting, briefing of pilots, and such other meteorological duties as are deemed necessary in maintenance of general weather service, including weather information required for air navigation and the safe operation of air traffic.

The Fish and Wildlife Service will offer one year's training at any time prior to July 1, 1950 to not more than 125 Philippine citizens in methods of deep-sea fishing and in other techniques necessary to the development of fisheries.

The Coast and Geodetic Survey is authorized to provide training for a maximum of 20 Philippine citizens each year prior to July 1, 1950 in order that they may be qualified to take over and continue the survey work interrupted by the war and resumed under provisions of the Philippine Rehabilitation Act.

The necessary preparations are now being made by the two Governments to inaugurate this program with all possible speed. Information on procedures to be followed and specific qualifications for candidates for the various programs will be made available as soon as possible.



## Air Transport Agreement With India

### STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press November 15]

This is the first formal agreement which the United States has concluded with the new government of India. It will permit two American airlines to fly into and through India on different routes and also grants reciprocal rights for Indian air service to fly to this country under the general principles of the so-called Bermuda arrangement which the United States concluded

with the United Kingdom in February of this year. I am sure that our new air agreement with India will make a further contribution to the friendly relations which we already enjoy with that country.

I think that is an important agreement, and it is rather significant that the first agreement you have with a new government is on this new development which is air transport.

### SUMMARY OF AGREEMENT<sup>1</sup>

The Department of State of the United States and the External Affairs Department of the Government of India announced on November 14 the conclusion of a bilateral air transport agreement between the United States and India which was signed in New Delhi on November 14, 1946. George R. Merrell, Chargé d'Affaires of the American Embassy at New Delhi, and George A. Brownell, personal representative of the President of the United States, signed on behalf of the United States Government, while those signing for the Government of India were Jawaharlal Nehru, Vice President of the Council and Minister of External Affairs, and Sardar Abdur Rab Nishtar, Minister of Communications.

The agreement consists of 13 articles and an annex, and defines conditions under which scheduled air services of each country are to be operated between the United States and India. The agreement is a development of the "Bermuda" type of air-transport arrangement which, since it was

concluded between the United States and the United Kingdom in February 1946, has formed a pattern for a number of other bilateral arrangements. The United States-Indian agreement conforms with the principles embodied in the Bermuda agreement, but secures to each party a greater measure of control over the application of those principles and the air services to be operated.

Provision is made for the categories of traffic which may be carried, use of airports, control of rates for carriage of traffic between the territory of the two countries, "change of gauge", customs duties, and exchange of information and statistics. The agreement also makes provision for appropriate use of the machinery of the Provisional International Civil Aviation Organization and of the International Air Transport Association, in their respective spheres.

The annex describes specific routes to be operated by airlines of the United States and gives Indian airlines reciprocal rights to operate routes to the United States, to be determined at a later date. Airlines of the United States are accorded

<sup>1</sup> The text of the agreement was issued as Department of State press release 810 of Nov. 14, 1946.

the right to fly via the following routes and to make traffic stops in India at the places named:

Route 1 (to be operated by Pan American World Airways): The United States through Central Europe and the Near East to Karachi, Delhi, and Calcutta; thence to a point in Burma, a point in Siam, a point in Indo-China, and beyond to the United States.

Route 2 (to be operated by Trans World Airline): The United States through Western Europe, North Africa, and the Near East to Bombay and beyond Bombay to: (a) Calcutta, a point in Burma, a point in Indo-China, points in China and Japan, and beyond to the United States over Pacific routes, (b) Ceylon, Singapore, and beyond.

The foregoing routes may be operated in both

directions. Until quarantine facilities are available in Bombay, TWA flights from the west will temporarily enter India at Karachi and will proceed from there to Bombay.

An exchange of notes between representatives of the two Governments at the time the agreement was concluded sets out a collateral understanding concerning principles and arrangements with respect to rates to be charged by airlines for Fifth Freedom traffic to and from territory of the other party.

In announcing conclusion of the bilateral air transport agreement, the two Governments expressed their conviction that the mutual arrangements which it embodies will afford a practical means of implementing and strengthening the friendly relations already existing between them.

## U.S. Reiterates Position on Rumanian Elections

[Released to the press November 15]

*Text of note which the United States Representative in Rumania has been authorized to deliver to the Rumanian Government in reply to its note of November 2 to the United States Government*

I have been instructed to express to you my Government's disappointment with the Rumanian Government's reply of November 2 to its note of October 28 concerning the forthcoming elections in Rumania. My Government deeply regrets that the Rumanian Government did not see fit to consider the substance of its comments on the electoral preparations, but instead sought to avoid a discussion of these observations on the excuse that they did not represent the collective views of the powers signatory to the Moscow Conference Agreement.

My Government has taken note, however, that the Rumanian Government has again expressed an intention to implement fully all the obligations which it assumed following the Moscow Conference Agreement, to the end that the elections may freely express the will and aspirations of the Ru-

manian people, and must therefore assume that the Rumanian Government shares the view expressed in my note of October 28 that all parties represented in these elections should participate on equal terms.

Because of the obligations which my Government assumed at Yalta to assist in bringing about the establishment of a government of free men in Rumania, any suggestion that my recent note was "incompatible with the attributes of a free and sovereign state" is in my Government's view wholly inadmissible. I am constrained to believe that the Rumanian people if they could freely express themselves would regard my Government's interest in this matter as a compliance with its obligations under the Yalta Agreement and a welcome manifestation of general American interest in Rumania's welfare and progress. My Government desires to assure the Rumanian Government that it will not fail in its support for the democratic principles of liberty, freedom and justice by which the United States endeavors to live and upon which it is convinced, the future peace and welfare of the world depend.

## Third Report to Congress on Foreign Surplus Disposal

### LETTER OF TRANSMITTAL

*To the Honorable the President of the Senate  
The Honorable the Speaker of the House of Representatives*

SIRS: In accordance with Section 24 of the Surplus Property Act of 1944 there is transmitted herewith the third report of the Department of State on the disposal of United States surplus property in foreign areas.<sup>1</sup> Incorporated therein is the report required from the Foreign Liquidation Commissioner by Section 202 of the Philippine Rehabilitation Act of 1946 concerning the administration of Title II of that Act.

By September 30, 1946, surplus property with original cost to the United States of approximately \$5,870,000,000 had been sold for about \$1,400,000,000. Of the total realization, approximately \$375,000,000 represented sales for cash dollars, or their equivalent, including the cancellation of United States dollar obligations to foreign governments. Sales made for authorized foreign currencies or commitments to pay such currencies accounted for \$125,000,000, and property valued at \$33,000,000 was exchanged for real estate for use by the United States Government. Funds totaling \$30,000,000 have been specifically earmarked for cultural exchanges under provisions of the Fulbright Act, and the \$100,000,000 transfer authorization provided by the Philippine Rehabilitation Act has been fully utilized. The remainder of the sales has been for dollar credits.

The figures on sales are exclusive of direct transfers to UNRRA made under Section 202 of the UNRRA Participation Appropriation Act. All property disposed of represents about 85 percent of the total made available to the Foreign Liquidation Commissioner for disposal.

To dispose of our overseas surpluses as rapidly as possible, consistent with a reasonable return to the United States, has continued to be the guiding policy during the past quarter. The most outstanding achievements in these three months are undoubtedly the bulk sales to the Governments of China and the Philippines, which should greatly accelerate demobilization at many United States bases in the Pacific. These sales will bring about

<sup>1</sup> Department of State publication 2655.

a substantial reduction in the operating expense of the Army and Navy and will make possible the reassignment of substantial numbers of military personnel previously tied down by custodial duties.

The return which has been obtained for overseas surplus, while it necessarily represents only a fraction of the original procurement cost of the property sold, has already far exceeded the total realization hoped for at the beginning of the overseas disposal program. In addition, it has been possible to effect this realization on terms which will result in a substantially greater direct and immediate benefit to the American taxpayer than we had believed possible.

During the last quarter, I have reluctantly accepted the resignation of Mr. Thomas B. McCabe as Foreign Liquidation Commissioner and Special Assistant to the Secretary of State in order that he might return to his private affairs which he had laid down in 1940 for government service. Mr. McCabe discharged the heavy duties and responsibilities of his office with unusual intelligence, industry, and patience.

Despite the substantial accomplishments reflected in the accompanying report, much remains to be done. Many less spectacular tasks, such as the burden of supervising the physical transfers and accounting for the property sold and its proceeds, are still before us. In addition, there are residual surpluses widely scattered over the entire world. Their dollar volume at original cost is small in comparison with what has already been sold. Nevertheless, these properties must be liquidated with the same concern for the interests of the United States as that displayed in disposals already accomplished. The problems which remain, although smaller, are in some ways even more vexing than those already solved.

The work so capably directed by Mr. McCabe in the past will be carried forward by Major General Donald H. Connolly as Foreign Liquidation Commissioner, who succeeds Mr. McCabe in surplus property disposal matters, and Mr. Chester T. Lane, who will serve as General Connolly's Deputy and as Lend-Lease Administrator.

JAMES F. BYRNES,  
*Secretary of State*

DEPARTMENT OF STATE  
Washington, D.C.  
October 31, 1946



## Poland To Consider U.S. Requests for Restitution of Property

[Released to the press November 15]

On October 5, 1946 the Department of State issued a press release regarding the nationalization of firms in Poland.<sup>1</sup> It was there stated that in order to permit the proper protection of American interests the United States was endeavoring to obtain an extension of time to enter protests against nationalization with or without compensation. The American Embassy in Warsaw has reported the receipt of a note from the Polish Foreign Office dated November 13, 1946, the essential portion of which, in translation, reads as follows:

"The Chairman of the Chief Commission for Nationalization Affairs, taking into consideration that not all foreign owners and shareholders have been able, despite a number of facilities granted in connection with the submission of objections regarding lists of establishments subject to nationalization, published in *Monitor Polski*, No. 94 of September 23, 1946, and No. 98 of September 27, 1946, to utilize the determined period, has expressed agreement to consider favorably within legal limits, requests for restitution of the lapsed period, if the requests are submitted by November 1, 1946 to the Chief Commission (Warsaw, Ulica Senacka 3A) or to the Polish Embassy in Washington and after that date exclusively to the above Chief Commission."

The Polish Government requires owners of nationalized firms to have a legal residence or a legal representative in Poland for the receipt of official documents and notices regarding the hearing of their cases, and the American Embassy in Warsaw has just been advised that in nationalization cases in which protests have already been entered the Commission expects to commence hearings in mid-December. It is suggested that owners should prepare and send to their representatives in Poland prior to that time detailed proof in support of their claims.

## Nazi Conspiracy and Aggression, Volume VI

[Released to the press by the War Department November 16]

Volume VI, the fourth of a set of eight volumes entitled *Nazi Conspiracy and Aggression*, was released for publication by the Office of Chief of Counsel for Prosecution of Axis Criminality, the War Department announced on November 16. The set is being published volume by volume by the Government Printing Office.

Volume VI contains English translations of Hitler's will and testament and political will; intercepted Japanese diplomatic messages between Berlin, Rome, and Tokyo just previous to the Japanese attack on Pearl Harbor; the testimony of Erich Kempka, Hitler's chauffeur, regarding the last days of Hitler; and a collection of documents regarding German naval operational orders.

Some of the documents introduced into evidence were portions of interrogations of the defendants or witnesses. Also published is a summary of an interrogation of Hanna Reitsch, well-known German test pilot and aeronautical research expert, giving an eyewitness account of the last days in Hitler's air-raid shelter.

Exhibits such as a shrunken head of a Polish man and tattooed human skin to be used for lampshades were introduced as evidence in the Nürnberg trial. Accompanying certificates regarding the source and authenticity of such exhibits are also published in this volume.

Volume VII containing English translations of more German documents will be released soon, followed by Volumes I and II which will outline the prosecution case and show how these documents in Volumes III through VIII were used partially or wholly in the case. Volume VIII will also include some of the last writings of the defendants in prison, as well as German organizational charts and a descriptive index of all material in the set.

<sup>1</sup> BULLETIN of Oct. 13, 1946, p. 651; see also BULLETIN of Nov. 17, 1946, p. 912.

## Chicago Aviation Agreements

*Sweden, Ireland, Dominican Republic, Nicaragua, Iran*

[Released to the press November 14]

The following action, not previously announced, has been taken on the convention on international civil aviation and the international air-transport agreement formulated at the International Civil Aviation Conference in Chicago on December 7, 1944:

The Chargé d'Affaires ad interim of Sweden deposited with the Department of State on November 7 the Swedish instrument of ratification of the convention.

The Minister of Ireland deposited with the Department of State on October 31 the instrument of ratification of the convention by the Government of Ireland.

The Ambassador of the Dominican Republic informed the Acting Secretary of State by a note dated October 14, as follows:<sup>1</sup>

In conformity with Article V of the International Air Transport Agreement, signed at Chicago on December 7, 1944, and with instructions I have received from my Government, I have the honor to address Your Excellency to inform you that the Government of the Dominican Republic has decided to denounce the International Air Transport Agreement.

In accordance with the said Article V of the Agreement stated, I shall appreciate it if you will have the other Contracting States notified that the International Air Transport Agreement will cease to be effective for the Dominican Republic on October 14, 1947.

The Ambassador of Nicaragua informed the Secretary of State by a note dated October 7, as follows:

In accordance with instructions from my Government and in conformity with the terms of Article V of the International Air Transport Agreement, opened for signature on December 7, 1944 at the International Civil Aviation Conference in Chicago, I have the honor to inform Your Excellency that the Government of Nicaragua desires to denounce this Agreement, and hereby gives notice

<sup>1</sup> Translation.

to the Government of the United States of America of the intention to withdraw. This Agreement will accordingly cease to be in force with respect to the Government of Nicaragua on October 7, 1947.

The Ambassador of Iran signed the transport agreement on August 13.

The following countries have now deposited instruments of ratification of the convention: Poland, April 6, 1945; Turkey, December 20, 1945; Nicaragua, December 28, 1945; Paraguay, January 2, 1946; Dominican Republic, January 25, 1946; Canada, February 13, 1946; China, February 20, 1946; Peru, April 8, 1946; Mexico, June 25, 1946; Brazil, July 8, 1946; United States of America, August 1946; Ireland, October 31, 1946; and Sweden, November 7, 1946.

Argentina adhered to the convention on June 1946.

The transport agreement has now been accepted by 15 countries, of which 3 have given notices of denunciation, namely, the United States, Nicaragua, and the Dominican Republic.

## Department of State Bulletin Subscription Price Increased

The annual subscription price of the DEPARTMENT OF STATE BULLETIN will rise from \$3.50 to \$5.00 on January 1, 1947 owing to a combination of factors which has left the Superintendent of Documents, Government Printing Office, no choice but to take this action. These factors are the constantly expanding size and scope of the BULLETIN, as it attempts to cover the vast range of American international relations, and the rising cost of production. The printing and publishing of government publications are affected as much by the rising prices of materials and other production factors as any other integral part of the national economy.

The need to take this action is regretted both by the Department of State and by the Superintendent of Documents. After thorough study of the problem during recent months the Department of State considers that the increase in price is preferable to the only alternative, which would have been to make drastic reductions in the quantity of original documentation and other material provided readers.

## THE FOREIGN SERVICE

## Officers of the Foreign Service

Pursuant to Section 201 of the Foreign Service Act of 1946, Mr. Selden Chapin is appointed the Director General of the Foreign Service, effective November 13, 1946.

Pursuant to Section 202 of the Foreign Service Act of 1946, Mr. Julian F. Harrington is appointed Deputy Director General of the Foreign Service, effective November 13, 1946.

## Board of the Foreign Service

Effective November 13, 1946, pursuant to Section 211(a) of the Foreign Service Act of 1946, the following persons have been named members of the Board of the Foreign Service:

Donald S. Russell,	Assistant Secretary of State
<i>Chairman</i>	
Pruille Braden	Assistant Secretary of State
William Benton	Assistant Secretary of State
Selden Chapin	Director General of the Foreign Service
Leslie A. Wheeler	Director of the Office of Foreign Agricultural Relations, Department of Agriculture
Arthur Paul	Assistant to the Secretary of Commerce and Director of the Office of International Trade, Department of Commerce
David A. Morse	Assistant Secretary of Labor

## Board of the Foreign Service: (Effective 11-13-46)

*I Functions.* The Board of the Foreign Service shall make recommendations to the Secretary of State concerning the functions of the Service; the policies and procedures to govern the selection, assignment, rating, and promotion of Foreign Service officers; and the policies and procedures to govern the administration and personnel management of the Service; and shall perform such other duties as are vested in it by the provisions of the Foreign Service Act of 1946, by the terms of any other act, or by direction of the Secretary.

*II Composition.* The Board of the Foreign Service shall consist of the Assistant Secretary of State for Administration, who shall be Chairman; two other Assistant Secretaries of State to be designated by the Secretary to serve on the Board; the Director General of the Foreign Service; and one representative each, occupying positions with comparable responsibilities, from the Departments of Agriculture, Commerce, and Labor, designated, respectively, by the heads of such departments. A representative of any other Government department, occupying a position of comparable responsibility, may be designated

by the head of such department to attend meetings of the Board at the request of the Secretary of State, whenever matters affecting the interest of that department are under consideration.

## Appointment of American and Indian Chargés d'Affaires

[Released to the press November 12]

The Governments of India and the United States having agreed to exchange fully accredited diplomatic representatives, Sir Girja Shankar Bajpai, who has been the Agent General for India in the United States since 1941, was received on November 12 by the Acting Secretary of State as Chargé d'Affaires ad interim of the newly established Embassy of India pending the appointment of an Ambassador of India.

George R. Merrell, who is the present American Commissioner to India, will serve as American Chargé d'Affaires ad interim pending the appointment of an American Ambassador.

## THE DEPARTMENT

## Appointment of Officers

William Benton, Assistant Secretary of State for Public Affairs, on November 14 announced the appointment of Charles M. Hulten as his Deputy.

G. Stewart Brown succeeds Mr. Hulten in the position of Deputy Director of the Office of International Information and Cultural Affairs. William R. Tyler has been appointed Assistant Director in Charge of Areas for OIC.

Bromley K. Smith as Information Officer, Office of the Secretary, effective October 31, 1946.

Alice T. Curran as Special Assistant, Office of Assistant Secretary for Public Affairs, effective September 22, 1946.

Hubert F. Havlik as Chief, Division of Investment and Economic Development, effective September 22, 1946.

Harold R. Spiegel as Chief, Division of Financial Affairs, effective October 22, 1946.

Livingston T. Merchant as Chief, Aviation Division, effective October 23, 1946.

Hugh Borton as Chief, Division of Japanese Affairs, effective November 4, 1946.

J. Carney Howell as Deputy Director, Office of Budget and Finance, effective October 6, 1946.

Franklin A. Holmes as Chief, Division of Budget, effective October 20, 1946.



# Contents

<b>General Policy</b>		<b>Occupation Matters</b>	
U.S. Interests in World Food Problem. Article by James A. Stillwell . . . . .	927	U.S.-U.K. Meetings on Bizonal Arrangements for Germany: Statement by Acting Secretary Acheson . . . . .	940
United States Philippine Training Program: Statement by Acting Secretary Acheson . . . . .	964	U.S. Representatives . . . . .	941
U.S. Participation in Program . . . . .	964	Recommendations by Ambassador Pauley on Japanese Reparations . . . . .	957
Radio Broadcast on Displaced Persons . . . . .	965		
U.S. Reiterates Position on Rumanian Elections . . . . .	967	<b>Treaty Information</b>	
<b>The United Nations</b>		Prosecution of Major Nazi War Criminals: Report From Francis Biddle to President Truman . . . . .	954
Report on Third Session of Economic and Social Council: Letter of Transmittal From U.S. Representative to Secretary of State . . . . .	932	Air Transport Agreement With India: Statement by Acting Secretary Acheson . . . . .	966
Meeting of General Assembly: U.S. Position on Armament Question. By Senior Representative of U.S. Delegation . . . . .	934	Summary of Agreement . . . . .	966
U.S. Position on International Refugee Or- ganization: Statement by Representative of U.S. Delegation to United Nations . . . . .	935	Chicago Aviation Agreements: Sweden, Ire- land, Dominican Republic, Nicaragua, Iran . . . . .	970
American Chemical Society's Gift to UNESCO. . . . .	938	<b>International Organizations and Con- ferences</b>	
<b>Economic Affairs</b>		Calendar of Meetings . . . . .	939
Statement by Heads of Delegations to Inter- national Wool Talks . . . . .	942	<b>Cultural Cooperation</b>	
U.S. Delegation to ILO Textiles Industrial Committee . . . . .	942	Fifth Assembly of Inter-American Commis- sion of Women . . . . .	946
Moscow Telecommunications Conference. By Francis Colt de Wolf . . . . .	943	<b>The Foreign Service</b>	
Twenty-Ninth Session of International Com- mission for Air Navigation . . . . .	946	Effective Date of Foreign Service Act. State- ment by the Secretary of State . . . . .	947
Foreign Economic Policy of U.S. By Under Secretary Clayton . . . . .	950	American Foreign Service of Tomorrow. By Assistant Secretary Russell . . . . .	947
American Business With the Far East. By John Carter Vincent. . . . .	959	Officers of the Foreign Service . . . . .	971
Procedure for Filing War Claims With China . . . . .	965	Board of the Foreign Service . . . . .	971
Third Report to Congress on Foreign Surplus Disposal. Letter of Transmittal . . . . .	968	Appointment of American and Indian Chargés d'Affaires . . . . .	971
Poland To Consider U.S. Requests for Resti- tution of Property . . . . .	969	<b>The Department</b>	
		Appointment of Officers . . . . .	971
		<b>Publications</b>	
		Foreign Commerce Weekly . . . . .	963
		Nazi Conspiracy and Aggression, Volume VI . . . . .	969

## Contributors

James A. Stillwell, author of the article on world food problems, is Adviser on Supplies in War Areas, Office of International Trade Policy, Department of State.